

City of Minnetrista Minnesota



Annual Comprehensive Financial Report

For the Fiscal Year Ended December 31, 2021

CITY OF MINNETRISTA, MINNESOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2021

**PREPARED BY THE FINANCE DEPARTMENT
OF THE CITY OF MINNETRISTA, MINNESOTA**

**BRIAN GRIMM
DIRECTOR OF FINANCE**

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INTRODUCTORY SECTION

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Municipal Offices
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Minnetrista, MN 55364-9552
Email: minnetrista@ci.minnetrista.mn.us

April 18, 2022

To the City Council and Citizens of the City of Minnetrista:

The annual comprehensive financial report (ACFR) of the City of Minnetrista, Minnesota (the City) for the fiscal year ended December 31, 2021 is hereby submitted. Management assumes full responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, based on a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Minnesota Statutes require that the City have an annual audit performed by a certified public accountant or the State Auditor. The City appointed the certified public accounting firm of CliftonLarsonAllen LLP to perform the audit for the year ended December 31, 2021. The independent auditor's report on the basic financial statements is unmodified and is included in the financial section of this report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the auditors.

PROFILE OF THE CITY

The City, organized in 1859 as a township, incorporated as a village in 1960, and established as a City in 1974, is a Minnesota Statutory City with an "Optional Plan A" form of government. It has a mayor elected at large for a four-year term and four council members also elected at large for four-year terms. The professional staff is appointed and consists of an Administrator, Finance Director, City Clerk, Public Safety Director, Director of Administration, Community Development Director, and Public Works Superintendent. The City contracts for professional legal and engineering services.

The City provides services to the public for street and utility construction and maintenance, parks and recreation, police and fire protection, planning and zoning, permits, inspections, and legislative/administrative functions. The City provides street construction and maintenance services on approximately 60 miles of gravel and paved streets. The parks and recreation department provides services to eight developed parks, several miles of trail system, a cemetery, two public water access areas, and a fishing pier. Facilities include: picnic areas, walking trails, and general miscellaneous playground equipment. Independent School District No. 277, Westonka, offers recreational activities through community service programs. The combination of these programs provides a complete parks and recreation system throughout the City.

The City issued building permits for 115 new single-family homes in 2021 with a total housing value of \$49,331,709.

The Minnetrista Public Safety Department operates with 13 licensed police officers, including: 1 Public Safety Director, 1 Lieutenant, 2 Sergeants, and 9 officers. In addition, there are 1.90 full-time equivalent support staff, two Community Service Officers, one Reserve, and 13 Patrol Units. Dispatching is operated through the Hennepin County Sheriff's Department.

ECONOMIC CONDITIONS AND OUTLOOK

The City is located in the southwest portion of Hennepin County approximately 20 miles southwest of Minneapolis on Lake Minnetonka. The population of the City was 8,262 per the 2020 Census data.

The City saw an increase from the previous year in the number of building permits for new homes in 2021. Continued controlled growth is expected for 2022 and beyond.

NOTEWORTHY BUDGET AND FINANCIAL INFORMATION

Evaluation of the City Fee Structure

The City Council and staff annually review the fee schedule to determine that fees are adequate to cover the cost of services provided. Changes are adopted annually if deemed necessary based on the fee structure review.

It is the policy of the City to assure that the people needing the services are the ones paying for those services. The City Council feels strongly that city residents should not bear the tax burden from new development in the City, such as infrastructure costs. The City has traditionally charged all developers and land use applicants (i.e. applicants for variances, conditional use permits) for associated consultant fees incurred during their application process.

Capital and Long Range Planning

The City continues to look at all financing options including identifying available reserves or levying for capital improvements. The City improved its financial management planning in 2008 and incorporated a financial management-planning tool with five-year CIP equipment components, street infrastructure plans, and other supplementary planning information. The City continues to use this modeling during 2021 and going forward.

Development Market Conditions During 2021

Growth has really picked up during the last few years due to market conditions in the housing market improving. There are developments and proposed developments/phases coming in and being discussed in 2022 and beyond. Building permit revenue should be comparable in the upcoming year (2022), similar to the strong 2021 new home building market. The City is projecting 75-100 new homes a year for the next several years.

FINANCIAL CONTROLS

Investment Policy

The City maintains an adopted investment policy. The purpose of this policy is to establish specific guidelines the City will use in the investment of city funds. It will be the responsibility of the City Administrator to invest city funds in order to attain the highest market rate of return with the maximum security, while meeting the daily cash flow demands of the City and protecting the capital of the overall portfolio. Investments will be made in accordance with all state and local statutes governing the investment of public funds.

The primary objectives, in order of priority, of the City's investment activities shall be: safety, liquidity, and return on investment. The City does not have any investments with a term of more than 10 years. For diversity purposes, the City does not keep more than 50% of the investment portfolio with any one broker or agency.

Fund Balance Policy

Minnesota cities do not have a constant flow of revenue from which they are able to fund local government operations. Property tax levies, state aid to local governments, and property tax credits comprise the majority of city revenue. The City receives the first half of property taxes in late May/early June and the second half is received on December 1. Given this flow of revenue, the City's General Fund balance is the primary source of funds available for operating expenditures during the first five months of the year. An adequate fund balance provides the cash flow required to finance General Fund expenditures throughout the course of the year.

In recognition of these factors, the City adopted a fund balance policy. This policy states that the City will strive to maintain an unrestricted General Fund balance at each fiscal year-end equivalent to 50% of the total annual operating budget of the following year. The fund balance policy outlines strategies to consider when the General Fund balance is projected to decrease below 40% of the total annual operating budget for the following year. The City understands that the State Auditor's Office recognizes fund balances as a percentage of current year expenditures. However, the City believes fund balance is necessary to fund expenditures through the first half of the following year. Thus, the City measures fund balances as a percentage of the following year's expenditures.

Budget Policy

The City annually adopts a budget for the following year. This budget is meant to be a guideline for expenditures and revenues for the year. The City adopts a budget for the General Fund, special revenue funds except for the Land Use fund, debt service funds, and capital project funds. The level of budgetary control is at the function level. The City has five special revenue funds: an Emergency Warning Siren Fund, a Park Development Fund, a Road Maintenance Fund, Land Use Fund and a Tree Replacement Fund. These funds are set aside to account for proceeds of specific revenue sources that are legally restricted or committed to expenditures for their specified purpose.

In addition to the annual budgets adopted above the City Administrator is authorized to approve items up to \$2,500 that were not originally budgeted for. Otherwise the level of budgetary control would be at the function level – General government, Public Safety, Public Works, Parks and Recreation and Miscellaneous. Council sees quarterly reports each year to see how the City is performing on a budget to actual basis for the year.

AWARDS AND ACKNOWLEDGEMENTS

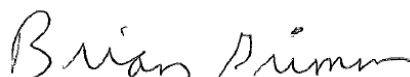
Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. The report satisfied both generally accepted accounting principle and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current annual comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our appreciation to the entire city staff for their individual contributions in assisting with the preparation of this report and to the outside agencies that assisted with essential information for this report. We also would like to express appreciation to the Mayor and City Council members for their interest and support in planning and conducting the financial operations of the City.

Sincerely,

A handwritten signature in black ink that reads "Brian Grimm". The signature is written in a cursive, flowing style.

Brian Grimm
Finance Director

**CITY OF MINNETRISTA
OFFICIAL DIRECTORY
YEAR ENDED DECEMBER 31, 2021**

CITY COUNCIL AND OTHER OFFICIALS

Lisa Whalen
Ann MacGregor
Cathleen Reffkin
Pam Mortenson
John Tschumperlin

Mayor
Council Member
Council Member
Council Member
Council Member

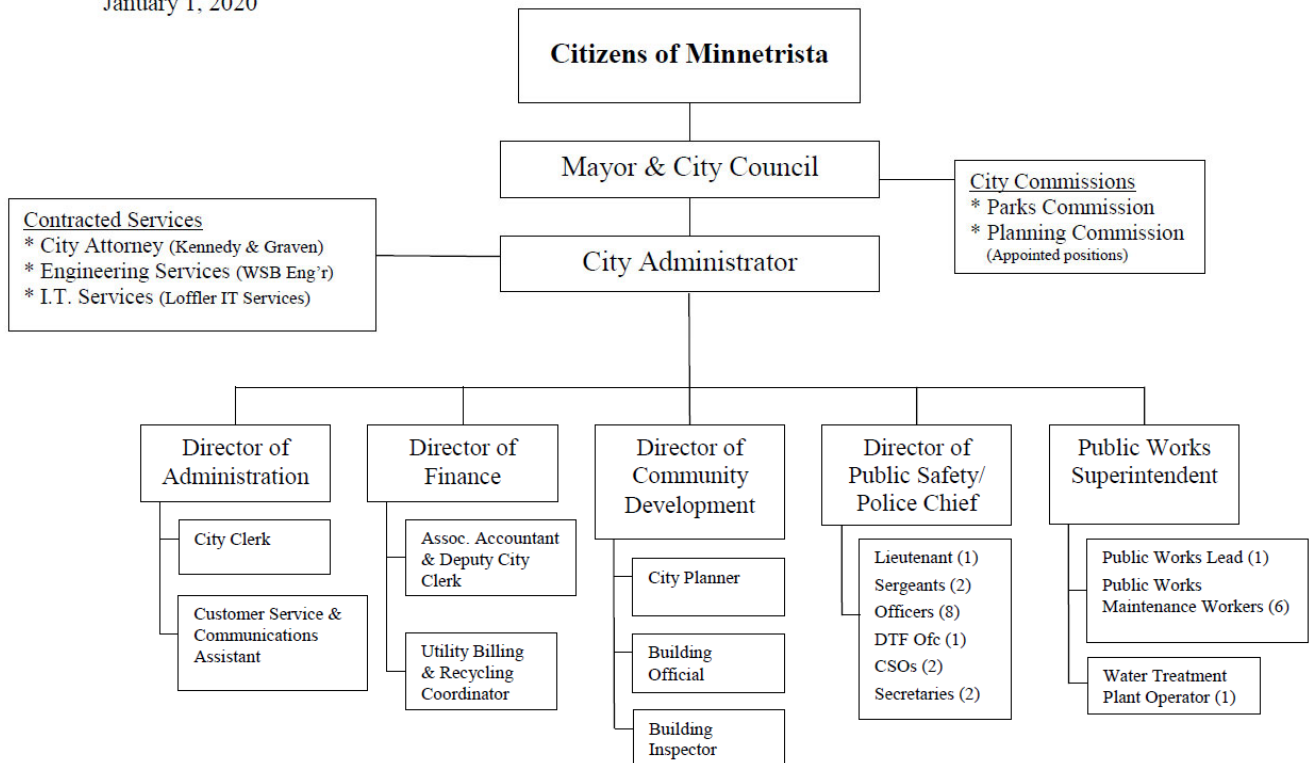
CITY OFFICIALS

Brian Grimm
Paul Falls

Finance Director
Director of Public Safety

**CITY OF MINNETRISTA
ORGANIZATIONAL CHART
YEAR ENDED DECEMBER 31, 2021**

**City of Minnetrista
Organization Chart**
January 1, 2020



CITY OF MINNETRISTA
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING
DECEMBER 31, 2021



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Minnetrista
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrell

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Minnetrista, Minnesota

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minnetrista, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Minnetrista's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minnetrista, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Minnetrista and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Minnetrista's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Minnetrista's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Minnetrista's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the City's total OPEB liability and related ratios, PERA schedule of the City's proportionate share of the net pension liability, and PERA schedule of City contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Minnetrista's basic financial statements. The combining and individual nonmajor fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information


Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable Mayor and Members of the City Council
City of Minnetrista, Minnesota

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2022, on our consideration of the City of Minnetrista's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Minnetrista's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Minnetrista's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 18, 2022

**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

As management of the City of Minnetrista, Minnesota (the City), we have provided readers of the City's financial statements with this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The City's net position of its governmental activities increased by \$1,684,560 during the year to \$37,130,626 at year-end.
- The net position of the City's business-type activities by increased \$497,688 during the year to \$24,808,683 at year-end.
- The fund balance of the General Fund decreased by \$148,674 (or 4.3%) during the year to \$3,332,308 at year-end.
- At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$7,350,154.
- The Water, Sewer, Storm Water, Recycling, and Cable TV Operating Funds reported a combined operating loss of \$544,192.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other information in addition to the basic financial statements themselves.

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private sector businesses.

The statement of net position presents information on all the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the total assets and deferred outflows and liabilities and deferred inflows reported as net position. Over time, increases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes to net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., delinquent taxes and special assessments).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, public works, and parks and recreation. The business-type activities of the City include enterprises for water operating, sewer operating, stormwater operating, recycling, and cable television.

**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The funds of the City are divided into three categories - governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term, financing decisions. Both the governmental funds balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The fund financial statements present information for each major governmental fund in separate columns. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual appropriated budget for all of its governmental funds, except the Land Use special revenue fund and ARPA Grants Special Revenue Fund. Budget-to-actual comparisons are provided in this financial report for all fund with an adopted budget.

Proprietary Funds – The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, storm water, recycling, and cable.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City.

Notes to Basic Financial Statements – The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning budget to actual data for the City's General Fund and major special revenue fund and the City's progress in funding its obligation to provide pension and other postemployment benefits to employees. Combining statements and schedules for nonmajor funds are presented immediately following the required supplementary information.

**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

The following is a summary of the City's net position:

	Governmental Activities	
	2021	2020
Current and Other Assets	\$ 11,953,998	\$ 11,316,101
Capital Assets	38,521,195	37,390,993
Total Assets	50,475,193	48,707,094
Deferred Outflows of Resources	2,059,879	1,026,857
Noncurrent Liabilities Outstanding	10,248,698	11,794,987
Other Liabilities	2,440,620	1,448,039
Total Liabilities	12,689,318	13,243,026
Deferred Inflows of Resources	2,715,128	1,044,859
Net Position:		
Net Investment in Capital Assets	30,090,017	28,358,298
Restricted	5,830,114	5,588,460
Unrestricted (Deficit)	1,210,495	1,499,308
Total Net Position	\$ 37,130,626	\$ 35,446,066

	Business-Type Activities	
	2021	2020
Current and Other Assets	\$ 4,263,709	\$ 6,299,138
Capital Assets	32,975,910	30,964,358
Total Assets	37,239,619	37,263,496
Deferred Outflows of Resources	173,331	53,989
Noncurrent Liabilities Outstanding	11,674,436	12,615,317
Other Liabilities	712,312	376,937
Total Liabilities	12,386,748	12,992,254
Deferred Inflows of Resources	217,519	14,236
Net Position:		
Net Investment in Capital Assets	21,613,468	19,596,755
Unrestricted	3,195,215	4,714,240
Total Net Position	\$ 24,808,683	\$ 24,310,995

The City's net investment in capital assets is 84% of the total net position, and reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, and vehicles); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

An additional portion of the City's net position (\$5,830,114) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$4,405,710) may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City is able to report positive balances in all categories of net position, both for the City as a whole as well as for its separate governmental and business-type activities.

The City has historically been financially conservative, managing revenues and expenditures/expenses to assure operation of a balanced budget. The ongoing management of revenues and expenditures/expenses and the sound financial position the City has attained have resulted in the City's excellent bond ratings: AA+ for all general obligation bond issues.

The following is a summary of the City's change in Governmental net position:

	Governmental Activities			
	2021	2020	Annual Change	Percent Change
REVENUES				
Program Revenues:				
Charges for Services	\$ 1,272,503	\$ 1,435,785	\$ (163,282)	(11)%
Operating Grants and Contributions	572,458	924,185	(351,727)	(38)
Capital Grants and Contributions	2,194,739	2,147,948	46,791	2
General Revenues:				
Property Taxes	5,100,930	4,940,472	160,458	3
Unrestricted Investment Earnings	28,392	72,226	(43,834)	(61)
Unrealized Gain (Loss) on Investments	(77,411)	-	(77,411)	-
Gain on Sale of Capital Assets	-	7,765	(7,765)	(100)
Total Revenues	9,091,611	9,528,381	(436,770)	(5)
EXPENSES				
General Government	1,109,025	1,189,982	(80,957)	(7)
Public Safety	3,147,746	3,142,580	5,166	0
Public Works	2,653,554	3,077,375	(423,821)	(14)
Parks and Recreation	386,974	254,594	132,380	52
Interest on Long-Term Debt	109,752	236,443	(126,691)	(54)
Total Expenses	7,407,051	7,900,974	(493,923)	(6)
CHANGE IN NET POSITION BEFORE TRANSFERS	1,684,560	1,627,407	57,153	4
Transfers	-	50,000	(50,000)	(100)
CHANGE IN NET POSITION	1,684,560	1,677,407	7,153	0
Net Position - Beginning of Year	35,446,066	33,768,659	1,677,407	5
NET POSITION - END OF YEAR	\$ 37,130,626	\$ 35,446,066	\$ 1,684,560	5

**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

Overall revenues of governmental activities decreased 5% between 2020 and 2021. The City relies to a great extent on property taxes to finance its governmental activities and this amount increased from the prior year with a 3% increase. Capital grants and contributions in the amount of \$2,194,739 was also an increase from the previous year of \$46,791, or 2%. These increases were offset by decreases in operating grants and contributions of \$351,727, or 38%, charges for services of \$163,282, or 11%, and the net total change of unrealized gain (loss) on investments and unrestricted Investment earnings of \$121,245, or 168%.

Expenses of governmental activities also decreased by \$493,923, or 6%, between 2020 and 2021. Most of this decrease was due to a decrease in public works expenses as the prior year saw more repairs and maintenance including crack filling and mill and overlay projects.

The following is a summary of the City's change in Business-type net position:

	Business-Type Activities			Percent
	2021	2020	Annual Change	Change
REVENUES				
Program Revenues:				
Charges for Services	\$ 3,490,767	\$ 3,253,786	\$ 236,981	7 %
Operating Grants and Contributions	28,281	15,131	13,150	87
Capital Grants and Contributions	793,854	1,296,626	(502,772)	(39)
General Revenues:				
Unrestricted Investment Earnings	2,742	69,582	(66,840)	(96)
Total Revenues	4,286,734	4,635,125	(348,391)	(8)
EXPENSES				
Water Operating	1,747,551	1,768,567	(21,016)	(1)
Sewer Operating	1,356,987	1,200,684	156,303	13
Storm Water	405,317	379,024	26,293	7
Recycling	216,037	150,154	65,883	44
Cable TV	63,154	41,595	21,559	52
Total Expenses	3,789,046	3,540,024	249,022	7
CHANGE IN NET POSITION BEFORE TRANSFERS	497,688	1,095,101	(597,413)	(55)
Transfers	-	(50,000)	50,000	(100)
CHANGE IN NET POSITION	497,688	1,045,101	(547,413)	(52)
Net Position - Beginning of Year	24,310,995	23,265,894	1,045,101	4
NET POSITION - END OF YEAR	<u>\$ 24,808,683</u>	<u>\$ 24,310,995</u>	<u>\$ 497,688</u>	2

The business-type activities, primarily the City's utility operations, experienced a decrease in revenues, primarily due to Capital Grants decreasing by 39% in the current year. Capital grants decreased due to the City's utilities receiving \$1,295,930 in contributed capital in 2020 and for 2021 it was \$793,280. Charges for Services also increased \$214,276 or 7% due to increases in rates and as well as new users related to development being completed during 2021 and due to the related increase in Water and Sewer Area and Connection Charges.

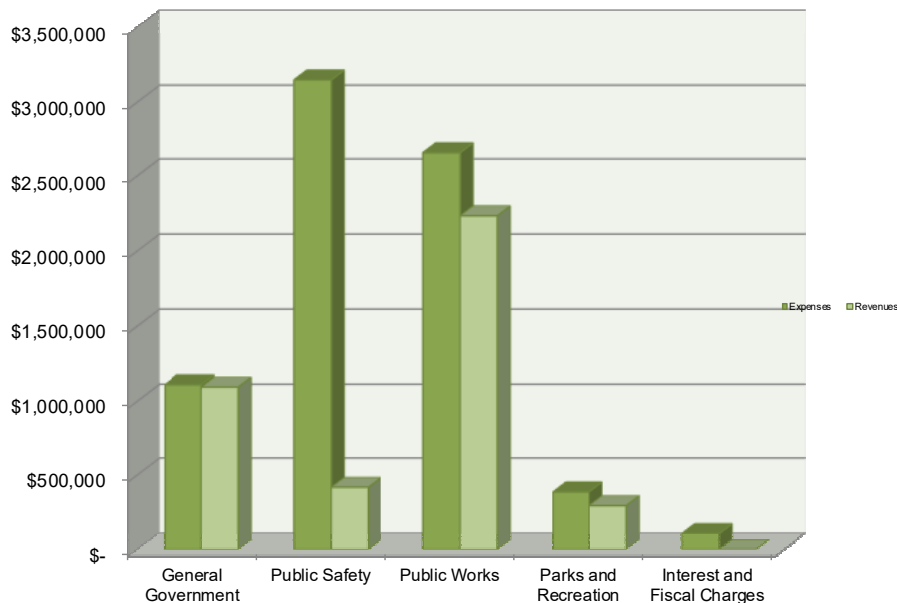
**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

On the expense side, expenses decreased in the Water fund and increased in the Sewer, Stormwater, Recycling, and Cable TV funds. These decreases in expenses in the Water fund mostly related to decreases in supplies, and maintenance. The increases in the Cable TV fund relate to increased payroll costs being allocated to the fund. For the Sewer Fund, the increased operating costs are due to the increase in utility system maintenance supplies and repairs. For the Storm Water Fund, maintenance supplies expenses represented the majority of the increase in expenses. The recycling fund increase was driven by the new contract that was entered into for the City's recycling service provider late in 2020. 2021 was the first full year of the contract that had a significant increase from the prior contract. The increase within revenues was greater than the net increase within expenses and resulted in a positive change in net position of \$497,688, which was around a 2% increase from prior years ending net position.

Governmental Activities

The following graph depicts the various governmental activities and shows the expenses and program revenues directly related to those activities:

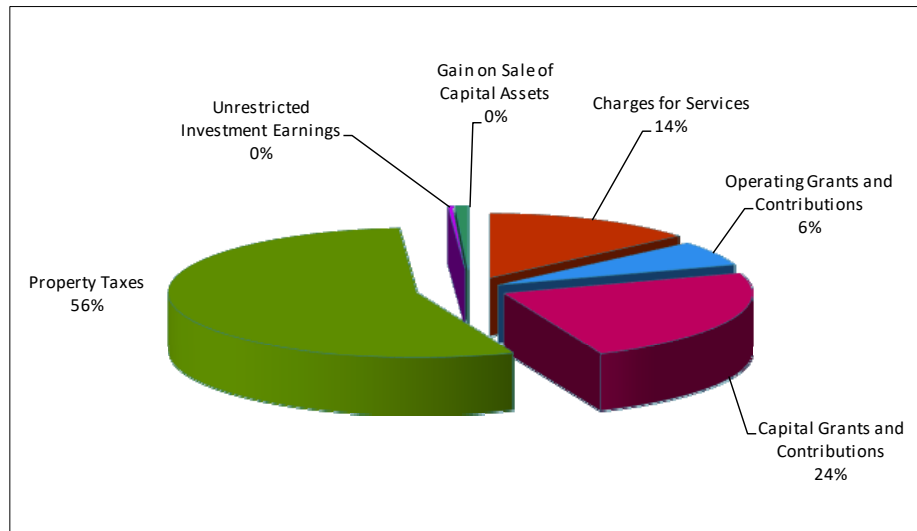
Program Expenses and Revenues – Governmental Activities



**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

The graph below shows the governmental activities and their income and clearly reflects the need for property taxes to supplement the activities of the City. Under the state's current local government aid formula the City currently receives no local government aid.

Revenues by Source – Governmental Activities

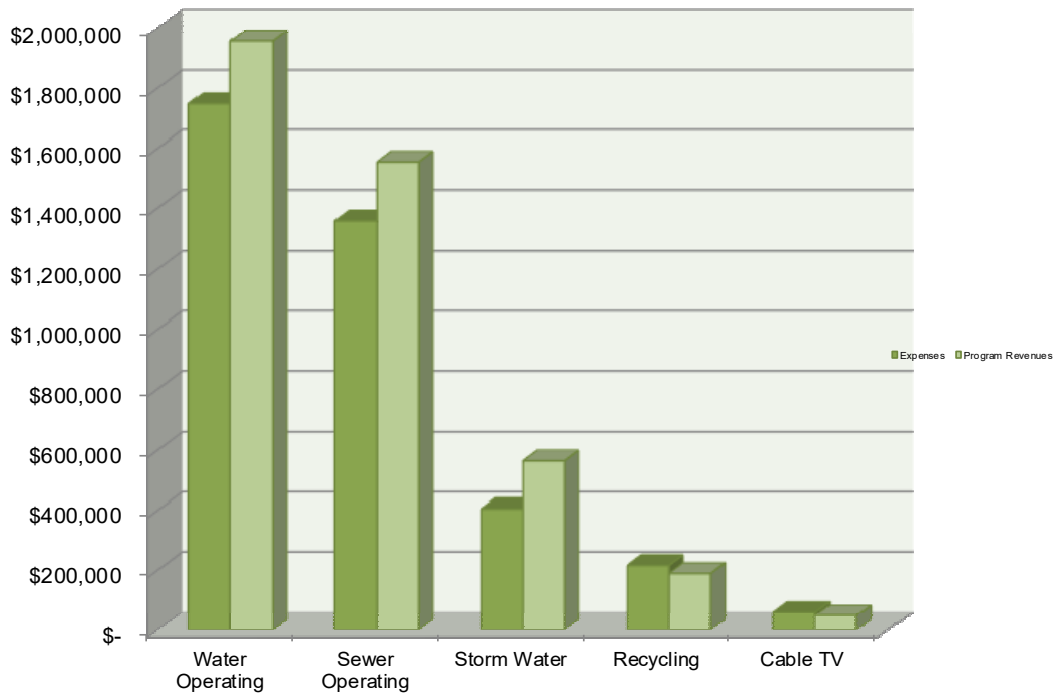


**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

Business-Type Activities

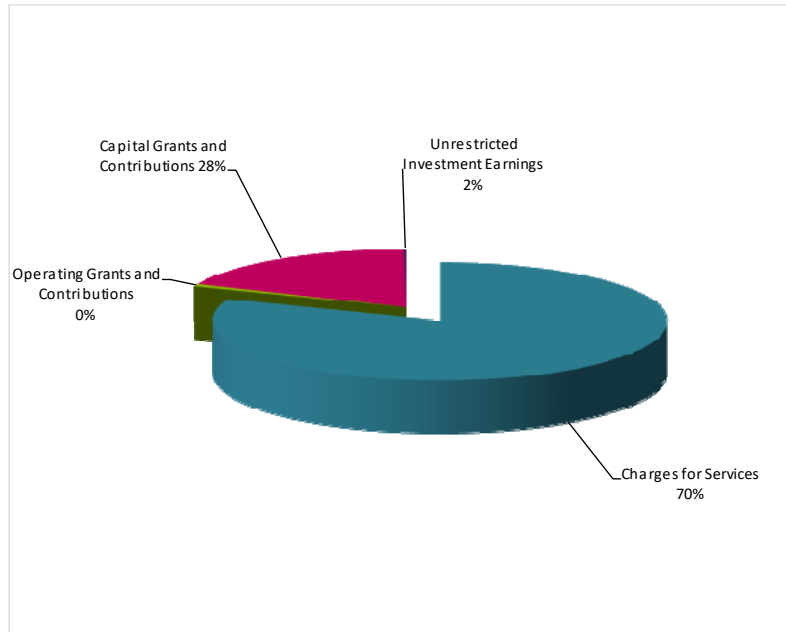
Business-Type Activities net position increased \$497,688, or 2% from the prior year due to what was mentioned above. One of the biggest expenses is depreciation (noncash expense) within the water, sewer, and storm water funds. Expenses in total across all utility funds increased \$249,022, or 7%, as detailed above.

Program Expenses and Revenues – Business-Type Activities



**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

Program Expenses and Revenues – Business-Type Activities (Continued)



General Fund

The General Fund is the main operating fund of the City. Its primary revenue source in 2021 was property taxes at 70% of the total revenue, followed by licenses and permits at 16%. The total fund balance decreased during the current fiscal year 2021, resulting from an excess of expenditures over revenues of \$157,789 along with other financing sources of \$9,115 from the sale of capital assets. The unassigned fund balance of \$2,985,806 at the end of 2021 represents 58% of total General Fund expenditures for the year 2021.

Other Major Governmental Funds

The Road Maintenance Fund was created to account for the resources accumulated and capital and maintenance expenditures related to various road maintenance projects. The fund balance at the end of 2021 was \$544,201, which decreased \$710,874 during the year due larger projects being completed during 2021 which was accounted for and a planned spend down of fund balance.

The Street Improvement fund was created to account for the resources accumulated and capital expenditures related to various street improvement projects. The ending fund balance for 2021 was \$38,960, which decreased \$2,056 during the year due to investment losses.

**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

Proprietary Funds

The City's enterprise funds had a combined net position balance of \$24,808,683 at December 31, 2021. The financial activities of these funds have been summarized in previous charts within this discussion.

General Fund Budgetary Highlights

- The General Fund revenues were more than the final revenue budget by \$37,004. The biggest positive budget variance for revenue categories were within licenses and permits, which was over budget \$47,006. This is due the City's building activity being slightly higher than expected. All other revenue categories had slight positive or negative variances when comparing actual to budget numbers. The total variance for revenues was about 1%.
- Total General Fund Expenditures were \$22,623 under budget. Most of the positive variance occurred in the General Government area, which had expenditures under budget in the amount of \$41,340. Public Works ended the year under budget by \$35,540. Some of this positive variance was offset by the Public Safety numbers coming in \$48,970 over budget. The Parks and Recreation and Miscellaneous areas basically came in very close to budget. The total actual costs in the general fund came in at ½% less than the budgeted amount. Department managers watch their overall department budgets closely in conjunction with the Finance Director. This helps contribute to the slight variability in actual costs to budget. The small positive variance in comparing actual costs to budgeted costs can be attributed to professional services and personal services costs coming in slightly better than budgeted in some departments.

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31 is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 4,733,976	\$ 4,733,976	\$ 102,471	\$ 102,471	\$ 4,836,447	\$ 4,836,447
Construction in Progress	2,440,210	571,719	3,549,608	1,811,721	5,989,818	2,383,440
Buildings and Building Improvements	6,881,591	6,881,591	-	-	6,881,591	6,881,591
Improvements Other than Buildings	2,342,916	2,263,214	-	-	2,342,916	2,263,214
Streets and Infrastructure	50,099,319	49,016,031	45,109,507	43,379,684	95,208,826	92,395,715
Equipment and Furniture	5,973,701	5,982,297	1,068,868	1,037,173	7,042,569	7,019,470
Total Capital Assets	72,471,713	69,448,828	49,830,454	46,331,049	122,302,167	115,779,877
Less: Accumulated Depreciation	(33,950,518)	(32,057,835)	(16,854,544)	(15,366,691)	(50,805,062)	(47,424,526)
Total Capital Assets, Net	\$ 38,521,195	\$ 37,390,993	\$ 32,975,910	\$ 30,964,358	\$ 71,497,105	\$ 68,355,351

Additional details of capital asset activity for the year can be found in Note 5 of the notes to basic financial statements.

**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

Long-Term Liabilities

At the end of the current fiscal year, the City had total bonded debt, and compensated absences payable outstanding of \$19,744,284. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 4,255,000	\$ 4,545,000	\$ -	\$ -	\$ 4,255,000	\$ 4,545,000
General Obligation Revenue Bonds	2,845,000	3,115,000	11,233,544	12,061,544	14,078,544	15,176,544
General Obligation Equipment Certs	580,000	705,000	-	-	580,000	705,000
Compensated Absences	321,766	278,083	22,319	22,477	344,085	300,560
Bond Premium (Discount), Net	357,757	507,486	128,898	173,088	486,655	680,574
Total Outstanding Debt	<u>\$ 8,359,523</u>	<u>\$ 9,150,569</u>	<u>\$ 11,384,761</u>	<u>\$ 12,257,109</u>	<u>\$ 19,744,284</u>	<u>\$ 21,407,678</u>

Additional details of long-term debt activity for the year can be found in Note 6 of the notes to basic financial statements.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Hennepin County is currently 2.4%, which is a decrease from a rate of 4.1% a year ago. This compares favorably to the state's average unemployment rate of 3.4% and a national rate of 5.2%.
- The City has experienced slightly higher than anticipated new residential housing activity, with 115 new building permits issued during 2021.

All of these factors were considered in preparing the City budget for 2022.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, City of Minnetrista, 7701 County Road 110 West, Minnetrista, Minnesota 55364-9553.

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BASIC FINANCIAL STATEMENTS

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**CITY OF MINNETRISTA
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

		Primary Government	
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 9,511,769	\$ 3,552,560	\$ 13,064,329
Accounts Receivable	60,776	637,961	698,737
Property Taxes Receivable	67,439	-	67,439
Special Assessments Receivable, Net	1,851,068	63,036	1,914,104
Accrued Interest Receivable	8,646	3,409	12,055
Due from Other Governments	418,371	1,266	419,637
Prepaid Items	35,929	5,477	41,406
Capital Assets:			
Nondepreciable:			
Land	4,733,976	102,471	4,836,447
Construction in Progress	2,440,210	3,549,608	5,989,818
Depreciable:			
Buildings and Building Improvements	6,881,591	46,178,375	53,059,966
Improvements Other than Buildings	2,342,916	-	2,342,916
Streets and Infrastructure	50,099,319	-	50,099,319
Equipment and Furniture	5,973,701	-	5,973,701
Total Capital Assets	72,471,713	49,830,454	122,302,167
Less: Accumulated Depreciation	(33,950,518)	(16,854,544)	(50,805,062)
Total Capital Assets, Net	38,521,195	32,975,910	71,497,105
 Total Assets	 50,475,193	 37,239,619	 87,714,812
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pensions	2,059,879	173,331	2,233,210
LIABILITIES			
Accounts and Contracts Payable	869,635	624,508	1,494,143
Accrued Salaries and Fringe Benefits	114,425	15,265	129,690
Accrued Interest Payable	99,627	72,539	172,166
Other Liabilities	67,236	-	67,236
Deposits	796,363	-	796,363
Unearned Revenue	493,334	-	493,334
Long-Term Liabilities:			
Due Within One Year	865,000	858,000	1,723,000
Due in More Than One Year	7,494,523	10,526,761	18,021,284
Noncurrent Liabilities Due in More than One Year:			
Net Pension Liability	1,540,956	236,348	1,777,304
Total Other Postemployment Benefits Liability	348,219	53,327	401,546
Total Liabilities	12,689,318	12,386,748	25,076,066
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pensions	2,715,128	217,519	2,932,647
NET POSITION			
Net Investment in Capital Assets	30,090,017	21,613,468	51,703,485
Restricted for:			
Debt Service	2,508,668	-	2,508,668
Municipal Construction	171,821	-	171,821
Road Maintenance	2,043,672	-	2,043,672
Park Improvement	1,105,953	-	1,105,953
Unrestricted	1,210,495	3,195,215	4,405,710
 Total Net Position	 \$ 37,130,626	 \$ 24,808,683	 \$ 61,939,309

See accompanying Notes to Basic Financial Statements.

**CITY OF MINNETRISTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	and Contributions	and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT							
Governmental Activities:							
General Government	\$ 1,109,025	\$ 1,035,989	\$ 56,949	\$ -	\$ (16,087)	\$ -	\$ (16,087)
Public Safety	3,147,746	234,514	183,184	-	(2,730,048)	-	(2,730,048)
Public Works	2,653,554	2,000	36,933	2,194,739	(419,882)	-	(419,882)
Parks and Recreation	386,974	-	295,392	-	(91,582)	-	(91,582)
Interest and Fiscal Charges	109,752	-	-	-	(109,752)	-	(109,752)
Total Governmental Activities	7,407,051	1,272,503	572,458	2,194,739	(3,367,351)	-	(3,367,351)
Business-Type Activities:							
Water Operating	1,747,551	1,769,446	-	183,900	-	205,795	205,795
Sewer Operating	1,356,987	1,143,180	-	411,748	-	197,941	197,941
Storm Water	405,317	365,889	-	198,206	-	158,778	158,778
Recycling	216,037	160,679	28,281	-	-	(27,077)	(27,077)
Cable TV	63,154	51,573	-	-	-	(11,581)	(11,581)
Total Business-Type Activities	3,789,046	3,490,767	28,281	793,854	-	523,856	523,856
Total Primary Government	<u>\$ 11,196,097</u>	<u>\$ 4,763,270</u>	<u>\$ 600,739</u>	<u>\$ 2,988,593</u>	(3,367,351)	523,856	(2,843,495)
GENERAL REVENUES							
Property Taxes, Levied for General Purposes					5,100,930	-	5,100,930
Unrestricted Investment Earnings					28,392	2,742	31,134
Unrealized Gain (Loss) on Investments					(77,411)	(28,910)	(106,321)
Total General Revenues and Transfers					<u>5,051,911</u>	<u>(26,168)</u>	<u>5,025,743</u>
CHANGE IN NET POSITION					1,684,560	497,688	2,182,248
Net Position - Beginning of Year					<u>35,446,066</u>	<u>24,310,995</u>	<u>59,757,061</u>
NET POSITION - END OF YEAR					<u>\$ 37,130,626</u>	<u>\$ 24,808,683</u>	<u>\$ 61,939,309</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MINNETRISTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General Fund	Special Revenue Road Maintenance (406)	Capital Projects Street Improvement (490)	Other Governmental Funds	Totals
ASSETS					
Cash and Investments	\$ 4,306,914	\$ 877,845	\$ 337,999	\$ 3,989,011	\$ 9,511,769
Receivables:					
Miscellaneous Receivables	22,986	-	-	37,790	60,776
Accrued Interest	4,132	866	324	3,324	8,646
Delinquent Taxes	67,439	-	-	-	67,439
Delinquent Special Assessments	-	418	-	23,646	24,064
Other Special Assessments Receivable	-	1,164,543	-	662,461	1,827,004
Prepays	35,929	-	-	-	35,929
Due from Other Governmental Units	62,420	-	171,821	184,130	418,371
Total Assets	<u>\$ 4,499,820</u>	<u>\$ 2,043,672</u>	<u>\$ 510,144</u>	<u>\$ 4,900,362</u>	<u>\$ 11,953,998</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES					
Accounts and Contracts Payable	\$ 372,310	\$ 334,510	\$ -	\$ 162,815	\$ 869,635
Accrued Salaries Payable	114,425	-	-	-	114,425
Other Liabilities	67,236	-	-	-	67,236
Deposits	497,000	-	299,363	-	796,363
Unearned Revenue	49,102	-	-	444,232	493,334
Total Liabilities	<u>1,100,073</u>	<u>334,510</u>	<u>299,363</u>	<u>607,047</u>	<u>2,340,993</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	67,439	-	-	-	67,439
Unavailable Revenue - Special Assessments	-	1,164,961	-	686,107	1,851,068
Unavailable Revenue - Other	-	-	171,821	172,523	344,344
Total Deferred Inflows of Resources	<u>67,439</u>	<u>1,164,961</u>	<u>171,821</u>	<u>858,630</u>	<u>2,262,851</u>
FUND BALANCE					
Nonspendable:					
Prepays	35,929	-	-	-	35,929
Restricted:					
Debt Service	-	-	-	1,749,665	1,749,665
Parkland Acquisitions and Improvement	-	-	-	1,047,042	1,047,042
Road Maintenance	-	544,201	-	-	544,201
Committed:					
Emergency Warning Siren Operation	-	-	-	234,192	234,192
Tree Replacement	-	-	-	411,740	411,740
Assigned:					
Subsequent Year Budget	310,573	-	-	-	310,573
Capital Plan Improvements	-	-	38,960	-	38,960
Unassigned	2,985,806	-	-	(7,954)	2,977,852
Total Fund Balance	<u>3,332,308</u>	<u>544,201</u>	<u>38,960</u>	<u>3,434,685</u>	<u>7,350,154</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 4,499,820</u>	<u>\$ 2,043,672</u>	<u>\$ 510,144</u>	<u>\$ 4,900,362</u>	<u>\$ 11,953,998</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MINNETRISTA
RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021**

Total Fund Balances for Governmental Funds	\$	7,350,154
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Total net position reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	\$	4,733,976	
Construction in Progress		2,440,210	
Buildings and Building Improvements		6,881,591	
Improvements Other than Buildings		2,342,916	
Streets and Infrastructure		50,099,319	
Equipment and Furniture		5,973,701	
Total Capital Assets		72,471,713	
Less: Accumulated Depreciation		(33,950,518)	38,521,195

Some of the City's receivables (including property taxes, special assessments and other long-term receivables) will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.	2,262,851
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Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is included in the Statement of Net Position.	(99,627)
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The City's net pension and other postemployment benefits liability and related deferred inflows and deferred outflows are recorded only on the Statement of Net Position. Balances at year-end are:

Total Other Postemployment Benefits Liability	(348,219)		
Net Pension Liability	(1,540,956)		
Deferred Inflows of Resources - Pensions	(2,715,128)		
Deferred Outflows of Resources - Pensions	2,059,879		(2,544,424)

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Position.

Bonds Payable	(7,100,000)		
Equipment Certificates Payable	(580,000)		
Unamortized Premiums	(362,578)		
Unamortized Discounts	4,821		
Compensated Absence Payable	(321,766)		(8,359,523)

Total Net Position of Governmental Activities	\$	37,130,626
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CITY OF MINNETRISTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General Fund	Special Revenue Road Maintenance (406)	Capital Projects Street Improvement (490)	Other Governmental Funds	Totals
REVENUE					
Property Taxes	\$ 3,500,659	\$ 725,000	\$ -	\$ 878,812	\$ 5,104,471
Special Assessments	-	382,865	-	181,853	564,718
Licenses and Permits	812,506	-	-	-	812,506
Intergovernmental Revenue	182,264	671,599	-	-	853,863
Charges for Services	351,709	-	-	-	351,709
Fines and Forfeitures	31,180	-	-	-	31,180
Gifts and Contributions	-	-	-	2,000	2,000
Other Revenue:					
Investment Earnings	14,647	(3,493)	695	12,150	23,999
Unrealized Loss on Investments	(35,443)	(2,751)	(2,751)	(32,073)	(73,018)
Miscellaneous Revenue	155,707	-	-	358,983	514,690
Total Revenue	5,013,229	1,773,220	(2,056)	1,401,725	8,186,118
EXPENDITURES					
Current:					
General Government	1,088,023	-	-	3,700	1,091,723
Public Safety	2,937,134	-	-	-	2,937,134
Public Works	948,853	551,933	-	263	1,501,049
Parks and Recreation	172,437	-	-	-	172,437
Other	24,571	-	-	-	24,571
Total Current Expenditures	5,171,018	551,933	-	3,963	5,726,914
Capital Outlay:					
Other	-	1,907,136	-	348,383	2,255,519
Debt Service:					
Principal Retirement	-	-	-	756,328	756,328
Interest and Fiscal Charges	-	-	-	272,857	272,857
Total Debt Service	-	-	-	1,029,185	1,029,185
Total Expenditures	5,171,018	2,459,069	-	1,381,531	9,011,618
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(157,789)	(685,849)	(2,056)	20,194	(825,500)
OTHER FINANCE SOURCES (USES)					
Transfers In	-	-	-	39,408	39,408
Transfers Out	-	(25,025)	-	(14,383)	(39,408)
Proceed from Sale of Capital Assets	9,115	-	-	15,890	25,005
Total Other Finance Sources (Uses)	9,115	(25,025)	-	40,915	25,005
NET CHANGE IN FUND BALANCES	(148,674)	(710,874)	(2,056)	61,109	(800,495)
FUND BALANCES					
Beginning of Year	3,480,982	1,255,075	41,016	3,373,576	8,150,649
End of Year	\$ 3,332,308	\$ 544,201	\$ 38,960	\$ 3,434,685	\$ 7,350,154

See accompanying Notes to Basic Financial Statements.

CITY OF MINNETRISTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Net Change in Fund Balances - Total Governmental Funds \$ (800,495)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures and proceeds from the sale of capital assets as revenues. However, in the Statement of Activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays	\$	2,675,228	
Gain (Loss) on Disposal of Capital Assets		(3,219)	
Proceeds from the Sale of Capital Assets		(25,005)	
Capital Contributions		475,288	
Depreciation Expense		<u>(1,992,090)</u>	1,130,202

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities and repayment of principal reduces the liability. Interest is recognized as an expenditure in the governmental funds when it is due. In the Statement of Activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Amortization of Bond Premium	150,325	
Amortization of Bond Discount	(596)	
Repayment of Bond Principal	685,000	
Change in Accrued Interest Expense	<u>12,876</u>	847,605

Delinquent and certain other property taxes, special assessments receivable, and amounts due from other governments will be collected subsequent to year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources and excluded from revenues in the governmental funds.

Deferred Inflows of Resources - December 31, 2020	1,829,916	
Deferred Inflows of Resources - December 31, 2021	<u>2,262,851</u>	432,935

In the Statement of Activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During fiscal year 2021, compensated absences payable changed by.

(43,683)

Other postemployment benefits related expenses in the governmental funds are measured by current year employee benefit amounts. Other postemployment benefits related expenses on the Statement of Activities are measured by the change in total other postemployment benefits liability and the related deferred inflows and outflows of resources.

(189,782)

Pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the Statement of Activities are measured by the change in net pension liability and the related deferred inflows and outflows of resources.

307,778

Change in Net Position of Governmental Activities \$ 1,684,560

See accompanying Notes to Basic Financial Statements.

**CITY OF MINNETRISTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021**

	Business-Type Activities					
	Water (601)	Sewer (602)	Storm Water (651)	Recycling (671)	Cable TV (673)	Totals
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 1,520,245	\$ 1,145,858	\$ 433,428	\$ 200,470	\$ 252,559	\$ 3,552,560
Receivables:						
Accounts Receivable	198,041	289,733	108,586	41,601	-	637,961
Accrued Interest	1,475	1,074	416	202	242	3,409
Delinquent Special Assessments, Net	-	-	6,712	6,292	-	13,004
Special Assessments, Net	25,360	24,672	-	-	-	50,032
Prepays	2,566	2,307	604	-	-	5,477
Due from Other Governmental Units	628	343	152	143	-	1,266
Total Current Assets	1,748,315	1,463,987	549,898	248,708	252,801	4,263,709
NONCURRENT ASSETS						
Capital Assets:						
Land and Land Improvements	102,471	-	-	-	-	102,471
Construction in Progress	2,385,903	783,614	380,091	-	-	3,549,608
Buildings and Improvements	26,410,060	14,422,778	5,345,537	-	-	46,178,375
Less: Accumulated Depreciation	(7,365,950)	(7,167,846)	(2,320,748)	-	-	(16,854,544)
Total Noncurrent Assets	21,532,484	8,038,546	3,404,880	-	-	32,975,910
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows - Pensions	93,770	58,582	15,754	5,225	-	173,331
Total Assets and Deferred Outflows of Resources						
	<u>\$ 23,374,569</u>	<u>\$ 9,561,115</u>	<u>\$ 3,970,532</u>	<u>\$ 253,933</u>	<u>\$ 252,801</u>	<u>\$ 37,412,950</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION						
CURRENT LIABILITIES						
Accounts and Contracts Payable	\$ 411,392	\$ 144,986	\$ 67,517	\$ 103	\$ 510	\$ 624,508
Accrued Salaries Payable	8,032	4,909	635	-	1,689	15,265
Compensated Absences Payable	8,633	8,063	3,304	-	-	20,000
Accrued Interest Payable	66,279	6,260	-	-	-	72,539
Bonds Payable	770,400	67,600	-	-	-	838,000
Total Current Liabilities	1,264,736	231,818	71,456	103	2,199	1,570,312
NONCURRENT LIABILITIES						
Compensated Absences Payable	1,001	935	383	-	-	2,319
Total OPEB Liability	29,243	17,722	4,787	1,575	-	53,327
Net Pension Liability	127,862	79,880	21,482	7,124	-	236,348
Bonds Payable	10,106,042	418,400	-	-	-	10,524,442
Total Noncurrent Liabilities	10,264,148	516,937	26,652	8,699	-	10,816,436
Total Liabilities						
	11,528,884	748,755	98,108	8,802	2,199	12,386,748
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows - Pensions	117,676	73,516	19,771	6,556	-	217,519
NET POSITION						
Net Investment in Capital Assets	10,656,042	7,552,546	3,404,880	-	-	21,613,468
Unrestricted	1,071,967	1,186,298	447,773	238,575	250,602	3,195,215
Total Net Position	11,728,009	8,738,844	3,852,653	238,575	250,602	24,808,683
Total Liabilities, Deferred Inflows of Resources, and Net Position						
	<u>\$ 23,374,569</u>	<u>\$ 9,561,115</u>	<u>\$ 3,970,532</u>	<u>\$ 253,933</u>	<u>\$ 252,801</u>	<u>\$ 37,412,950</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MINNETRISTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Business-Type Activities					Totals
	Water (601)	Sewer (602)	Storm Water (651)	Recycling (671)	Cable TV (673)	
OPERATING REVENUE						
Sales and User Fees	\$ 1,425,519	\$ 1,122,506	\$ 365,889	\$ 146,241	\$ 51,573	\$ 3,111,728
OPERATING EXPENSES						
Personnel Services	283,653	201,665	51,256	18,760	-	555,334
Professional Services	60,644	88,865	70,364	-	17,224	237,097
Operating and Maintenance Supplies	22,132	290,264	68,781	-	3,129	384,306
Utilities	320,945	14,761	-	-	-	335,706
Depreciation	896,061	392,318	199,474	-	-	1,487,853
Maintenance and Repairs	18,224	1,646	-	-	-	19,870
Administrative Charges from the General Fund	-	-	-	-	42,801	42,801
Insurance	22,640	5,729	-	-	-	28,369
Other Expenses	4,159	347,706	15,442	197,277	-	564,584
Total Operating Expenses	<u>1,628,458</u>	<u>1,342,954</u>	<u>405,317</u>	<u>216,037</u>	<u>63,154</u>	<u>3,655,920</u>
OPERATING LOSS	(202,939)	(220,448)	(39,428)	(69,796)	(11,581)	(544,192)
NONOPERATING REVENUE (EXPENSES)						
Area Charges	343,831	20,674	-	-	-	364,505
Special Assessments for Capital Purposes	409	165	-	-	-	574
Investment Earnings	877	1,093	110	227	435	2,742
Unrealized Loss on Investments	(12,372)	(9,325)	(3,527)	(1,631)	(2,055)	(28,910)
Interest Expense	(119,093)	(14,033)	-	-	-	(133,126)
Intergovernmental Grants	-	-	-	28,281	-	28,281
Miscellaneous Revenue	96	-	-	14,438	-	14,534
Total Nonoperating Revenue (Expenses)	<u>213,748</u>	<u>(1,426)</u>	<u>(3,417)</u>	<u>41,315</u>	<u>(1,620)</u>	<u>248,600</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	10,809	(221,874)	(42,845)	(28,481)	(13,201)	(295,592)
Capital Contributions	<u>183,491</u>	<u>411,583</u>	<u>198,206</u>	<u>-</u>	<u>-</u>	<u>793,280</u>
CHANGES IN NET POSITION	194,300	189,709	155,361	(28,481)	(13,201)	497,688
NET POSITION						
Beginning of Year	<u>11,533,709</u>	<u>8,549,135</u>	<u>3,697,292</u>	<u>267,056</u>	<u>263,803</u>	<u>24,310,995</u>
End of Year	<u>\$ 11,728,009</u>	<u>\$ 8,738,844</u>	<u>\$ 3,852,653</u>	<u>\$ 238,575</u>	<u>\$ 250,602</u>	<u>\$ 24,808,683</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MINNETRISTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Business-Type Activities - Enterprise Funds					Total
	Water	Sewer	Storm Water	Recycling	Cable TV	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Receipts from Customers	\$ 1,426,800	\$ 1,104,501	\$ 361,629	\$ 139,289	\$ 51,573	\$ 3,083,792
Cash Paid to Suppliers	(130,034)	(744,372)	(97,250)	(197,256)	(63,067)	(1,231,979)
Cash Paid to Employees	(279,966)	(186,925)	(54,921)	(16,284)	367	(537,729)
Other Receipts	96	-	-	14,438	-	14,534
Net Cash Provided (Used) by Operating Activities	1,004,524	163,879	205,931	(61,444)	(13,182)	1,299,708
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Connection Fees Received	343,831	20,674	-	-	-	364,505
Special Assessments for Capital Purposes	409	165	-	-	-	574
Principal Payments on Bonds	(760,400)	(67,500)	-	-	-	(827,900)
Interest Payments on Bonds	(183,213)	(14,033)	-	-	-	(197,246)
Acquisition of Capital Assets	(1,524,657)	(787,448)	(394,020)	-	-	(2,706,125)
Net Cash Used by Capital and Related Financing Activities	(2,124,030)	(848,142)	(394,020)	-	-	(3,366,192)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received on Investments	2,937	2,404	510	345	542	6,738
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Grants Received	-	-	-	28,281	-	28,281
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,116,569)	(681,859)	(187,579)	(32,818)	(12,640)	(2,031,465)
Cash and Cash Equivalents - Beginning of the Year	2,636,814	1,827,717	621,007	233,288	265,199	5,584,025
CASH AND CASH EQUIVALENTS - END OF THE YEAR	<u>\$ 1,520,245</u>	<u>\$ 1,145,858</u>	<u>\$ 433,428</u>	<u>\$ 200,470</u>	<u>\$ 252,559</u>	<u>\$ 3,552,560</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Loss	\$ (202,939)	\$ (220,448)	\$ (39,428)	\$ (69,796)	\$ (11,581)	\$ (544,192)
Adjustments to Operating Loss:						
Noncash Expenses Included in Net Income:						
Depreciation	896,061	392,318	199,474	-	-	1,487,853
Miscellaneous Income	96	-	-	14,438	-	14,534
Change in Fair Value of Investments	(12,372)	(9,325)	(3,527)	(1,631)	(2,055)	(28,910)
Change in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:						
(Increase) Decrease in:						
Accounts Receivable	(1,899)	(18,104)	(4,378)	(7,062)	-	(31,443)
Due from Other Governmental Units	1,146	(11)	(4)	(5)	-	1,126
Prepaid Assets	(44)	27,970	(22)	-	-	27,904
Special Assessments Receivable for Delinquent Utility Bills	2,034	110	122	115	-	2,381
Deferred Outflows - OPEB	(13,707)	(8,154)	(2,244)	(740)	-	(24,845)
Deferred Outflows - Pensions	(49,906)	(33,348)	(8,177)	(3,066)	-	(94,497)
Increase (Decrease) in:						
Accounts Payable	318,754	(23,371)	57,359	21	87	352,850
Accrued Salaries Payable	2,184	488	(684)	-	367	2,355
Compensated Absences Payable	(199)	(18)	59	-	-	(158)
Total Other Postemployment Benefits	2,538	1,580	429	145	-	4,692
Net Pension Liability	(46,884)	(14,925)	(11,336)	(80)	-	(73,225)
Deferred Inflows - OPEB	461	301	65	27	-	854
Deferred Inflows - Pensions	109,200	68,816	18,223	6,190	-	202,429
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,004,524</u>	<u>\$ 163,879</u>	<u>\$ 205,931</u>	<u>\$ (61,444)</u>	<u>\$ (13,182)</u>	<u>\$ 1,299,708</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital Contributions	<u>\$ 183,491</u>	<u>\$ 411,583</u>	<u>\$ 198,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 793,280</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The City of Minnetrista, Minnesota (the City) operates under the "Optional Plan A" form of government as defined in Minnesota Statutes. Under this plan, the City Council, composed of an elected mayor and four elected trustees or council members, exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all the affairs relating to the City.

The financial statements and the accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements include the City (the primary government) and any component units. A component unit is a legally separate entity for which the primary government is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's board, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit or is fiscally depended upon by the potential component unit.

The Minnetrista Economic Development Authority (EDA) is a legally separate organization created to provide the City economic development assistance. The governing board consists of the City's mayor and council members; therefore, the Minnetrista EDA has been reported as a blended component unit of the City, with its funds reported as though they are funds of the City. The purpose of the Minnetrista EDA is to issue revenue bonds to acquire land and to purchase or construct facilities and, currently, there is no activity in the Minnetrista EDA. The EDA does not issue its own separate financial statements.

There are no other organizations that, when considered, would be included in the financial statements as a component unit.

The City also participates in the Pioneer-Sarah Creek Watershed Management Commission, which is a jointly governed organization created to protect, preserve, and use natural water storage retention systems. The Commission does not issue separate financial statements. The City also participates in the Lake Minnetonka Conservation District (LMCD), which is a jointly governed organization, established by the state, which is made up of representatives of each of the 14 cities surrounding Lake Minnetonka. The purpose of the LMCD is to uniformly regulate docks, promote public access, and protect the environmental quality of the lake. LMCD issues separate, audited financial statements which can be obtained on the District's website. The City does not have any ongoing commitments with regards to their participation in either of these organizations.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide Financial Statements

The government-wide financial statements (statement of net position and statement of activities) display information about the reporting government as a whole. These statements include all of the financial activities of the City, except fiduciary funds. Since, by definition, fiduciary fund assets are held for the benefit of a third party and cannot be used for activities or obligations of the City, these funds are excluded from the government-wide financial statements. The City does not currently report any fiduciary funds. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on sales, fees, and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other internally directed revenues are reported as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes and special assessments are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, charges between the City's enterprise funds and other functions are not eliminated, as that would distort the direct costs and program revenues reported in those functions. The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. Depreciation expense can be specifically identified by function (see Note 5). Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental and proprietary fund types. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if collected within 60 days after year-end.

Major revenue that is susceptible to accrual includes property taxes, intergovernmental revenue, charges for services, and interest earned on investments. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Revenue that is not susceptible to accrual includes licenses and permits, fees, and miscellaneous revenue. Such revenue is recorded only when received because it is not measurable until collected. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, similar to the government-wide financial statements. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Financial Statement Presentation (Continued)

Description of Funds

The City reports the following major governmental funds:

General Fund – This is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Road Maintenance Fund – This special revenue fund is used to account for the resources accumulated and maintenance and related capital expenditures related to various road maintenance projects. Revenues include the road maintenance property tax levy, related road maintenance project special assessments, State municipal construction aid, and State municipal maintenance aid.

Street Improvement Fund – This capital project fund is used to account for the resources accumulated and capital expenditures related to various street improvement projects.

The City reports the following major enterprise funds:

Water Operating Fund – This fund is used to account for the provision of water services to the residents of the City who have water service available.

Sewer Operating Fund – This fund is used to account for the provision of sewer services to the residents of the City who have sanitary sewer service available.

Storm Water Fund – This fund is used to account for the charges for and the costs of maintaining the City's storm water system.

Recycling Fund – This fund is used to account for the charges for and costs of providing recycling services to the residents of the City.

Cable TV Fund – This fund is used to account for the charges for and costs of providing Cable TV services to the residents of the City.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments

Cash balances from all funds are combined and invested to the extent available in short-term investments. Earnings from the pooled investments are allocated to the individual funds based on the average monthly cash and investment balances of the respective funds. The City considers all highly liquid debt instruments with an original maturity from the time of purchase by the City of three months or less to be cash equivalents. The proprietary funds' portion in the government-wide cash and investment management pool is considered to be cash equivalent.

Investments are stated at fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost.

F. Receivables

All special assessments receivable are shown at net of an allowance for doubtful accounts. Since the City is generally able to certify delinquent utility bills to the county for collection as special assessments, no allowance for uncollectible accounts has been provided on those receivables. Receivables not expected to be collected within one year include delinquent taxes, special assessments, and certain amounts due from other governmental units. Any such receivables that are not considered to be available to finance current expenditures are offset by a deferred inflow of resources in the governmental fund financial statements.

G. Property Taxes

Property tax levies are set by the City Council by December of each year and certified to the County Auditor for collection in the following year. In Minnesota, counties act as collection agents for all property taxes.

A portion of the property taxes levied is paid by the state of Minnesota through various tax credits, which are included in intergovernmental revenue in the financial statements.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Property Taxes (Continued)

The county spreads levies over all taxable property in the City. Such taxes become a lien on January 1 and are recorded as receivables by the City on that date. Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes are due in full on May 15. The county provides tax settlements to cities and other taxing districts three times a year. Revenues are generally accrued and recognized in the year collectible. Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable.

H. Special Assessments

Special assessments represent the financing for public improvements paid for by the benefiting property owners. These assessments are recorded as delinquent (levied but unremitted) or deferred (certified but not yet levied) special assessments receivable. The City usually adopts the assessment rolls when the individual projects are complete or substantially complete. The assessments are collectible over a term of years generally consistent with the term of years related to the bond issue. Collection of annual installments (including interest) is handled by the county in the same manner as property taxes. Property owners are allowed to prepay total future installments without interest or prepayment penalties.

I. Interfund Receivables and Payables

Activity between funds that is representative of lending or borrowing arrangements is reported as either "due to/from other funds" (current portion) or "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

J. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, and infrastructure (utility systems, roads, bridges, sidewalks, and similar items) assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The City defines capital assets as those with an initial, individual cost of \$5,000 with an estimated useful life in excess of two years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. As allowed by accounting principles generally accepted in the United States of America, the City has elected not to retroactively capitalize the infrastructure of its governmental activities acquired prior to January 1, 2004.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

Capital assets are recorded in the government-wide and proprietary fund financial statements but are not reported in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Land and construction in progress are not depreciated. The estimated useful lives are as follows:

Buildings	30 - 40 Years
Improvements	10 - 30 Years
Machinery and Equipment	3 - 10 Years
Vehicles	3 - 7 Years
Infrastructure	20 - 75 Years

K. Compensated Absences Payable

The City allows employees to accrue vacation based on years of service to carry over to the next year. The amount of vacation accrued is payable upon separation if the employee is in good standing and proper notice is given. Sick leave accrues at various rates and may be accumulated to a maximum of 120 days. Under the City's personnel policy, employees who have at least five years of service with the City and who leave in good standing will receive between 25% and 55% of their sick leave balance, paid out depending on length of service.

The severance policy for the City Administrator states all accrued and unused vacation will be paid upon separation. The City's severance policy agrees to pay, at the time of receipt of the last paycheck, a lump sum cash payment equal to six months aggregate salary and continues to provide and pay for the employee benefits for the six months after termination.

The police department's full-time union employees accrue vacation up to a maximum of 160 hours to carry over to the next year. Part-time employees' accruals are prorated by hours worked per week. Employees are eligible for severance pay after completing five years of service. Severance pay is the sick leave balance paid between 25% and 55% depending on years of service.

Full-time public works employees that are union members accrue vacation up to a maximum of 160 hours to carry over to the next year. Sick leave is accrued at a rate of eight hours per month of continuous employment. Employees are eligible for severance pay after completing five years of service. Severance pay is the sick leave balance paid between 25% and 55% depending on years of service.

In the governmental funds, compensated absences are reported only if they have matured. Amounts that have not matured are a long-term liability and not reported at the fund level in governmental funds.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Long-Term Liabilities

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, if material, are amortized over the life of the bonds using the straight-line method, which approximates the effective interest rate method. Bond issuance costs are expensed as incurred.

In the governmental fund financial statements, long-term debt and other long-term obligations are not reported as liabilities. The face amount of debt issued is reported as other financing sources. Premiums or discounts on debt issuances are reported as other financing sources or uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has one type of deferred outflow, related to pensions, which qualifies for reporting in this category. See Note 7 for additional detail.

In addition to liabilities, the statements of financial position or balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items which qualify for reporting in this category. The first, unavailable revenue, arises under a modified accrual basis of accounting and is therefore reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: property taxes, special assessments, and amounts due from other governments not collected within 60 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The City also reports deferred inflows related to pensions on its statements of net position. See Note 7 for additional detail.

N. Net Position/Fund Balance

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the government-wide and proprietary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Portions of net position are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Net Position/Fund Balance (Continued)

In the fund financial statements, governmental funds report fund balances in the classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable – portion of fund balances related to prepaids, inventories, long-term receivables, and corpus on any permanent fund.

Restricted – funds are constrained from outside parties (statute, grantors, bond agreements, etc.).

Committed – funds are established and modified by a resolution approved by the City Council.

Assigned – consists of internally imposed constraints approved by the City Finance Director. The City adopted a formal fund balance policy which gives authority to assign fund balances to the Finance Director.

Unassigned – is the residual classification for the General Fund and also reflects the negative residual amounts in other funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the City's policy to use restricted first, then unrestricted fund balance.

When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the City's policy to use committed first, then assigned, and finally unassigned amounts.

The City formally adopted a fund balance policy for the General Fund. The policy establishes a year-end target unassigned fund balance of 50% of the fund's annual operating budget.

O. Budgets and Budgetary Accounting

The City Council adopts annual budgets for the General Fund, special revenue funds except for the Land Use and ARPA Grants special revenue funds and debt service funds. The amounts shown in the financial statements as "budget" represent the original amount and any revisions made during the year. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Budget requests are submitted by all department heads to the City Finance Director. The Finance Director compiles the budget requests into an overall preliminary city budget.

CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Budgets and Budgetary Accounting (Continued)

2. The Finance Director presents the proposed budget to the City Council. The budget resolution adopted by the City Council sets forth the budgets at the function level for the General Fund and special revenue funds, and the budgeted debt service and capital project funds.
3. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds, and the budgeted debt service, capital project, and enterprise funds.

The budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the function level.

P. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

NOTE 2 STEWARDSHIP AND ACCOUNTABILITY

The following funds had deficit fund balances at December 31, 2021:

<u>Fund</u>	<u>Fund Balance</u>
Capital Projects:	
Capital Improvement	\$ (7,556)
Special Revenue Funds:	
ARPA Grants	(398)

CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

Cash and investments at year-end consisted of the following:

Deposits	\$ 363,330
Investments	12,700,699
Cash on Hand	300
Total	<u>\$ 13,064,329</u>

Cash and investments are presented in the financial statements as follows:

Cash and Investments - Statement of Net Position	<u>\$ 13,064,329</u>
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B. Deposits

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks authorized by the City Council, including checking accounts and certificates of deposit.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

The City has an investment policy in place to address custodial credit risk for deposits, stating all deposits must be in compliance with Minnesota Statutes 118A, with collateralization levels of 110% of the fair value of the principal and accrued interest.

At year-end, the carrying amount of the City's deposits was \$363,330 while the balance on the bank records was \$386,436. At December 31, 2021, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the City's agent in the City's name.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The City has the following investments at year-end:

<u>Investment Type</u>	<u>Fair Value</u>
Federal Home Loan Bank	\$ 2,262,267
Federal Home Loan Mtg Corp.	194,864
Federal Ntl Mortgage Association	496,820
Federal Farm Credit Bank	438,743
Negotiable Certificates of Deposit	4,365,748
Municipal Bonds	565,204
Total	<u>\$ 8,323,646</u>

<u>Investment Type</u>	<u>Amortized Cost</u>
MN Municipal Money Market (4M)	\$ 4,365,148
Other Money Markets	11,905
Total	<u>\$ 4,377,053</u>

The Minnesota Municipal Money Market (4M) Fund is an external investment pool regulated by Minnesota Statutes that is not registered with the Securities and Exchange Commission (SEC). The City's investment in this fund is measured based on the amortized cost method that approximates fair value. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn.

Interest Rate Risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk).

The City's investment policy uses diversification of maturity dates as a means of managing its exposure to fair value by stating that not more than 30% of the City's investments may extend beyond a five-year maturity.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City's investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers.

The City's investment policy refers to Minnesota Statute 118A. This statute restricts the purchase of commercial paper to issues of U.S. corporations or their Canadian subsidiaries which mature in 270 days or less and have a rating of P-1 by Moody Investor Services, A1 by Standard and Poor's (S&P), or F-1 by Fitch Ratings, from at least two of the three rating agencies.

A schedule of the maturities and ratings of the City's investments as of December 31, 2021 is as follows:

Investment Type	Total Value	Interest - Risk: Maturity in Years			Credit Risk	
		Less than 1	1-5	More than 5	Rating	Agency
US Agencies:						
Federal Home Loan Bank	\$ 2,262,267	\$ -	\$ 2,262,267	\$ -	Aaa/AA+	Moody's/S&P
Federal Home Loan Mtg Corp.	194,864	-	-	194,864	Aaa/AA+	Moody's/S&P
Federal Ntl Mortgage Association	496,820	-	496,820	-	Aaa/AAA	Moody's/S&P
Federal Farm Credit Bank	438,743	-	245,353	193,390	Aaa/AAA	Moody's/S&P
Negotiable Certificates of Deposit	4,365,748	425,583	3,462,501	477,664	N/R	N/A
Municipal Bonds	565,204	201,376	363,828	-	Aa2/N/R	Moody's/S&P
Money Market	11,905	11,905	-	-	Aa2/AA-	Moody's/S&P
MN Municipal Money Market (4M)	4,365,148	4,365,148	-	-	N/R	N/A
Total	<u>\$ 12,700,699</u>	<u>\$ 5,004,012</u>	<u>\$ 6,830,769</u>	<u>\$ 865,918</u>		

N/R indicates "not rated"

N/A indicates "not applicable"

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Custodial Credit Risk – For investment, the custodial credit risk is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities. The City's investment policy requires all investments to be insured, registered, or held by the City or its agent in the City's name; and specifies that no more than 50% of the City's portfolio will be invested with any one broker or agency.

Concentration of Credit Risk – This is the risk associated with investing a significant portion of the City's investment (considered 5% or more) in the securities of a single issuer and no more than 50% of the City's total investment portfolio may be invested in certificates of deposit or commercial paper.

At December 31, 2021, the City did not have any investments requiring disclosure for individually comprising more than 5% of the City's total investments:

Fair Value Measurements

The City uses fair value measurements to record fair value adjustments to certain asset and liabilities and to determine fair value disclosures.

The City follows an accounting standard which defines fair value, establishes framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the City has categorized its investments, based on the priority of inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quotes and prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset.

Investment Type	Level 1	Level 2	Level 3	Total
US Agencies:				
Federal Home Loan Bank	\$ -	\$ 2,262,267	\$ -	\$ 2,262,267
Federal Home Loan Mtg Corp.	-	194,864	-	194,864
Federal Ntl Mortgage Association	-	496,820	-	496,820
Federal Farm Credit Bank	-	438,743	-	438,743
Negotiable Certificates of Deposit	-	4,365,748	-	4,365,748
Municipal Bonds	-	565,204	-	565,204
Total	<u>\$ -</u>	<u>\$ 8,323,646</u>	<u>\$ -</u>	<u>8,323,646</u>
Investments Measured at Amortized Cost				4,377,053
Total				<u>\$ 12,700,699</u>

NOTE 4 INTERFUND TRANSFERS

A. Interfund Transfers

The following is a summary of transfers made by the City during 2021:

Fund	Transfer In	Transfer Out
Park Development Fund	\$ -	\$ 14,383
Road Maintenance	-	25,025
G.O. Improvement Bonds of 2019A	14,383	-
G.O. Improvement Bonds of 2013A	25,025	-
Total	<u>\$ 39,408</u>	<u>\$ 39,408</u>

The \$14,383 transfer from the Park Development Fund to the G.O. Improvement Bonds of 2019A Fund related to the payment of related annual debt service expenditures. The \$25,025 transfer from the Road Maintenance Fund to the G.O. Improvements Bonds of 2013A Fund related to the payment of related annual debt service expenditures.

CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 CAPITAL ASSETS

A. Changes in Capital Assets Used in Governmental Activities

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 4,733,976	\$ -	\$ -	\$ -	\$ 4,733,976
Construction in Progress	571,719	2,535,140	-	(666,649)	2,440,210
Total Capital Assets, Not Being Depreciated	5,305,695	2,535,140	-	(666,649)	7,174,186
Capital Assets, Being Depreciated:					
Land Improvements	2,263,214	-	-	79,702	2,342,916
Buildings and Building Improvements	6,881,591	-	-	-	6,881,591
Infrastructure	49,016,031	496,341	-	586,947	50,099,319
Vehicles and Equipment	5,982,297	119,035	(127,631)	-	5,973,701
Total Capital Assets, Being Depreciated	64,143,133	615,376	(127,631)	666,649	65,297,527
Accumulated Depreciation for:					
Land Improvements	(1,252,038)	(161,224)	-	-	(1,413,262)
Buildings and Building Improvements	(2,518,365)	(167,820)	-	-	(2,686,185)
Infrastructure	(23,745,254)	(1,442,402)	-	-	(25,187,656)
Vehicles and Equipment	(4,542,178)	(220,644)	99,407	-	(4,663,415)
Total Accumulated Depreciation	(32,057,835)	(1,992,090)	99,407	-	(33,950,518)
Total Capital Assets, Being Depreciated, Net	32,085,298	(1,376,714)	(28,224)	666,649	31,347,009
Governmental Activities Capital Assets, Net	\$ 37,390,993	\$ 1,158,426	\$ (28,224)	\$ -	\$ 38,521,195

B. Changes in Capital Assets Used in Business-Type Activities

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 102,471	\$ -	\$ -	\$ -	\$ 102,471
Construction in Progress	1,811,721	2,722,188	(984,301)	-	3,549,608
Total Capital Assets, Not Being Depreciated	1,914,192	2,722,188	(984,301)	-	3,652,079
Capital Assets, Being Depreciated:					
Infrastructure	43,379,684	1,761,518	-	(31,695)	45,109,507
Machinery and Equipment	1,037,173	-	-	31,695	1,068,868
Total Capital Assets, Being Depreciated	44,416,857	1,761,518	-	-	46,178,375
Accumulated Depreciation for:					
Infrastructure	(14,753,170)	(1,419,314)	-	-	(16,172,484)
Machinery and Equipment	(613,521)	(68,539)	-	-	(682,060)
Total Accumulated Depreciation	(15,366,691)	(1,487,853)	-	-	(16,854,544)
Total Capital Assets, Being Depreciated, Net	29,050,166	273,665	-	-	29,323,831
Business-Type Activities Capital Assets, Net	\$ 30,964,358	\$ 2,995,853	\$ (984,301)	\$ -	\$ 32,975,910

C. Depreciation Expense by Function

Governmental Activities:

General Government	\$ 51,546
Public Safety	190,041
Public Works	1,574,663
Parks and Recreation	175,840
Total Depreciation Expense, Governmental Activities	<u>\$ 1,992,090</u>

Business-Type Activities:

Water Operating	\$ 896,061
Sewer Operating	392,318
Storm Water	199,474
Total Depreciation Expense, Business-Type Activities	<u>\$ 1,487,853</u>

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 LONG-TERM LIABILITIES

A. Components Long-Term Debt

The City had the following long-term liabilities outstanding at December 31, 2021:

Description	Issue Date	Original Issue	Interest Rate	Final Maturity Date	Balance - End of Year
Governmental Activities:					
General Obligation Bonds Payable:					
G.O. Improvement Bonds of 2012A	04/26/12	\$ 770,000	0.50-2.80%	02/01/27	\$ 325,000
G.O. Refunding Bonds of 2014A	09/11/14	555,000	3.00-4.00%	12/01/27	300,000
G.O. Capital Improvement Plan Bonds of 2014B	10/29/14	4,595,000	2.50-3.50%	02/01/30	2,845,000
G.O. Equipment Certificates 2017A	10/12/17	235,000	3.00%	02/01/23	100,000
G.O. Equipment Certificates 2020A	03/26/20	480,000	2.00-3.00%	02/01/26	480,000
G.O. Bonds of 2017A	10/12/17	2,865,000	3.00%	02/01/38	2,605,000
G.O. Improvement Refunding Bonds of 2019A	11/06/19	1,210,000	4.00-5.00%	02/01/31	1,025,000
Total Bonds					<u>7,680,000</u>
Unamortized Bond Premiums					362,578
Unamortized Bond Discounts					(4,821)
Compensated Absences					321,766
Total Governmental Activities					<u>\$ 8,359,523</u>
Business-Type Activities:					
General Obligation Revenue Bonds:					
G.O. Sewer Revenue Bonds of 2012	04/26/12	\$ 780,000	0.50-2.80%	02/01/27	\$ 330,000
G.O. Water Revenue Bonds 2016A	06/09/16	2,620,000	2.00-3.00%	02/01/31	1,845,000
G.O. Water Revenue Bonds 2020A	03/26/20	1,910,000	2.00-3.00%	02/01/40	1,830,000
G.O. Refunding Bonds 2017C	10/12/17	770,000	1.35-3.05%	02/01/30	550,000
Total Bonds					<u>4,555,000</u>
Direct Borrowings:					
G.O. Rev. PFA Drinking Water Loan 2010	Various	719,813	1.189%	08/20/24	152,544
G.O. Rev. PFA Drinking Water Loan 2016	Various	9,074,697	1.000%	08/20/35	6,526,000
Total Direct Borrowings					<u>6,678,544</u>
Unamortized Bond Premiums					128,898
Compensated Absences					22,319
Total Business-Type Activities					<u>\$ 11,384,761</u>

The City issues general obligation bonds to provide for financing street improvements, major capital equipment purchases, and utility improvements. Debt service is funded through property taxes, special assessments, and utility charges. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

Debt service funds will be used to pay general government principal and interest liabilities. The Water and Sewer Enterprise Funds will pay principal and interest on the water and sewer revenue bonds, respectively. The Water Fund will pay principal and interest on the general obligation revenue PFA Drinking Water Revolving Loan. The General Fund and Enterprise Funds will pay for the corresponding compensated absences, OPEB, and net pension liabilities.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

B. Changes in Long-Term Debt

	Beginning of Year	Additions	Retirements	End of Year	Due Within One Year
Governmental Activities:					
G.O. Special Assessment Bonds	\$ 4,545,000	\$ -	\$ (290,000)	\$ 4,255,000	\$ 300,000
G.O. Capital Improvement Bonds	3,115,000	-	(270,000)	2,845,000	275,000
G.O. Equipment Certificates	705,000	-	(125,000)	580,000	140,000
Unamortized Bond Discounts	(5,417)	-	596	(4,821)	-
Unamortized Bond Premiums	512,903	-	(150,325)	362,578	-
Total Bonds Payable	8,872,486	-	(834,729)	8,037,757	715,000
Compensated Absences	278,083	239,651	(195,968)	321,766	150,000
Total Governmental Activities	9,150,569	239,651	(1,030,697)	8,359,523	865,000
Business-Type Activities:					
G.O. Revenue Bonds	4,900,000	-	(345,000)	4,555,000	350,000
G.O. Revenue PFA Drinking Water Loan - Direct Borrowing	7,161,544	-	(483,000)	6,678,544	488,000
Unamortized Bond Premiums	173,088	-	(44,190)	128,898	-
Total Bonds and Loans	12,234,632	-	(872,190)	11,362,442	838,000
Compensated Absences	22,477	23,543	(23,701)	22,319	20,000
Total Business-Type Activities	12,257,109	23,543	(895,891)	11,384,761	858,000
Total Debt	<u>\$ 21,407,678</u>	<u>\$ 263,194</u>	<u>\$ (1,926,588)</u>	<u>\$ 19,744,284</u>	<u>\$ 1,723,000</u>

General Obligation Special Assessment Bonds – These bonds were issued to finance various improvements and are payable primarily from special assessments levied on the properties benefitting from the improvements funded by these issues. Any deficiencies in revenue to fund these issues will be provided from general property taxes.

General Obligation Capital Improvement Bonds – These bonds were issued in 2014 to refund previously outstanding EDA Lease Revenue Bonds.

General Obligation Equipment Certificates – These certificates were issued to finance various equipment and motor vehicle purchases in the Capital Improvement Fund.

General Obligation Revenue Bonds – These bonds were issued for improvements or projects that directly benefit the respective enterprise funds. This debt issue will be repaid from revenue sources of the benefiting enterprise funds.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

B. Changes in Long-Term Debt (Continued)

General Obligation Revenue PFA Drinking Water Revolving Loans – Direct Borrowing – The City entered into two loans through the Minnesota PFA: a \$692,604 Drinking Water Revolving Loan in 2009 and a \$9,074,697 Drinking Water Revolving Loan in 2016. These notes contain (1) a provision that if the City is unable to make a payment when due, an interest penalty may be imposed and one or more of the following remedies may be exercised (a) withhold approval of any disbursement request (b) reject any pending application by the City for financial assistance (c) to the extent permitted by law, demand immediate payment of the note in full and upon such demand, the outstanding principal amount of the note will be immediately due and payable with interest accrued thereon to the date of payment (d) exercise any other remedy available under law and (2) a provision that if the City fails to comply with any other provision within the note agreement an immediate increase in the interest rate on the loan by eliminating all interest rate discounts that were originally applied, in addition, the default remedies for failure to make a payment as listed above may be exercised.

C. Future Minimum Debt Payments

Minimum annual principal and interest payments to retire long-term debt are as follows:

Year Ending December 31,	Governmental Activities		Business-Type Activities		
	Bonds and Equipment		Bonds Payable		Totals
	Certificates Payable		Principal	Interest	
	Principal	Interest			
2022	\$ 715,000	\$ 236,555	\$ 350,000	\$ 99,900	\$ 1,004,952
2023	750,000	212,205	365,000	90,743	1,010,820
2024	705,000	187,046	370,000	80,535	1,005,950
2025	740,000	162,988	380,000	70,355	953,325
2026	760,000	139,734	385,000	61,144	949,604
2027-2031	2,780,000	390,640	1,750,000	184,344	4,449,374
2032-2036	850,000	122,250	510,000	70,300	2,573,990
2037-2038	380,000	11,550	445,000	17,950	462,950
Totals	\$ 7,680,000	\$ 1,462,968	\$ 4,555,000	\$ 675,271	\$ 12,410,965

D. Legal Debt Margin

Per Minnesota Statutes § 475.53, subdivision 1, the City of Minnetrista is subject to a legal debt margin of 3% of the estimated market value of taxable property in the City. As of December 31, 2020, the City had net applicable debt of \$3,485,089, and the City was \$55,430,132 below its debt limit of \$58,915,221.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Description

The City of Minnetrista (the City) participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan

All full-time and certain part-time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

1. General Employees Retirement Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

B. Benefits Provided (Continued)

1. General Employees Retirement Plan Benefits (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2021 and the City was required to contribute 7.50% for Coordinated Plan members. The City contributions to the General Employees Fund for the year ended December 31, 2021, were \$108,473. The City's contributions were equal to the required contributions as set by state statute.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

C. Contributions (Continued)

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2021 and the City was required to contribute 17.70% for Police and Fire Plan members. The City contributions to the Police and Fire Fund for the year ended December 31, 2021, were \$210,625. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2021, the City reported a liability of \$990,744 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$30,245.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0232% at the end of the measurement period and 0.0219% for the beginning of the period.

City's Proportionate Share of the Net Pension Liability	\$ 990,744
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>30,245</u>
Total	<u><u>\$ 1,020,989</u></u>

For the year ended December 31, 2021, the City recognized pension expense of \$48,320 for its proportionate share of the General Employees Plan's pension expense.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

At December 31, 2021, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 6,087	\$ 30,319
Changes in Actuarial Assumptions	604,928	21,916
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	858,026
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	62,486	1,556
City Contributions Subsequent to the Measurement Date	53,084	-
Total	<u>\$ 726,585</u>	<u>\$ 911,817</u>

A total of \$53,084 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expenses Amount
2022	\$ (22,819)
2023	6,482
2024	12,050
2025	(234,029)

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

D. Pension Costs (Continued)

2. Police and Fire Fund Pension Costs

At December 31, 2021, the City reported a liability of \$786,560 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.1019% at the end of the measurement period and 0.1005% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2021. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2020. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended June 30, 2021, the City recognized pension expense of (\$28,793) for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$9,171 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$6,441 for the year ended December 31, 2021 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

D. Pension Costs (Continued)

2. Police and Fire Fund Pension Costs (Continued)

City's Proportionate Share of the Net Pension Liability	\$ 786,560
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	35,368
Total	<u>\$ 821,928</u>

At December 31, 2021, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 151,068	\$ -
Changes in Actuarial Assumptions	1,156,037	432,166
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,502,917
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	97,280	85,747
City Contributions Subsequent to the Measurement Date	102,240	-
Total	<u>\$ 1,506,625</u>	<u>\$ 2,020,830</u>

A total of \$102,240 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expenses Amount
2022	\$ (505,862)
2023	(92,380)
2024	(102,169)
2025	(172,993)
2026	256,959

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

D. Pension Costs (Continued)

3. Pension Totals

For the year ended December 31, 2021, the City had the following recorded in relation to all of the plans in which it participates:

	GERF	PEPFF	Total
Net Pension Liability	\$ 990,744	\$ 786,560	\$ 1,777,304
Deferred Inflows of Resources	911,817	2,020,830	2,932,647
Deferred Outflows of Resources	726,585	1,506,625	2,233,210
Pension Expense	48,320	(28,793)	19,527

E. Actuarial Assumptions

The total pension liability in the June 30, 2021, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan and 2.25% for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan. The Police and Fire Plan benefit increase is fixed at 1% per year and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 29 years of service and 6.0% per year thereafter. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The most recent four-year experience studies for the Police and Fire Plan were completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

E. Actuarial Assumptions (Continued)

The following changes in actuarial assumptions and plan provisions occurred in 2021:

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

E. Actuarial Assumptions (Continued)

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.50 %	5.10%
International Equity	16.50	5.30%
Fixed Income	25.00	0.75%
Private Markets	25.00	5.90%
Totals	100.00 %	

F. Discount Rate

The discount rate used to measure the total pension liability in 2021 was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund, the Police and Fire Fund, and the Correctional Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

G. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

GERF PENSION LIABILITY	1% Decrease in Discount Rate (5.50%)	Current Discount Rate (6.50%)	1% Increase in Discount Rate (7.50%)
Description			
City's Proportionate Share of the GERF Net Pension Liability	\$ 2,020,612	\$ 990,744	\$ 145,674
PEPFF PENSION LIABILITY	1% Decrease in Discount Rate (6.50%)	Current Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Description			
City's Proportionate Share of the PEPFF Net Pension Liability	\$ 2,497,195	\$ 786,560	\$ (615,737)

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS

The City accounts for Other Postemployment Benefits under Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As the City has fewer than one hundred plan members, it has elected to calculate its total OPEB liability and related information using the alternative measurement permitted by GASB Statement No. 75.

A. Plan Description

The City administers a single-employer defined benefit healthcare plan (the Retiree Health Care Plan). The plan provides healthcare insurance for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. The benefit levels, employee contributions, and employer contributions are governed by the City and can be amended by the City through the City's collective bargaining agreements with employee groups. The Retiree Health Plan does not issue a publicly available financial report. The City does not have assets accumulated in a trust for purposes of funding OPEB liabilities.

The benefits provided are as follows:

Postemployment Insurance Benefits – All retirees of the City have the option under state law to continue their medical insurance coverage through the City from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of all employee groups, the retiree must pay the full premium to continue coverage for medical insurance.

The City is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees, whether the premiums are paid by the City or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as an "implicit rate subsidy." This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the City's younger and statistically healthier active employees.

Employees covered by benefit terms. At December 31, 2021, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently	
Receiving Benefit Payments	-
Inactive Plan Members Entitled to but not yet	
Receiving Benefit Payments	-
Active Plan Members	34
Total	<u>34</u>

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Contributions and Funding Policy

The City funds its OPEB obligation on a pay as you go basis. The City contributes none of the cost of current year premiums for eligible retired plan members and their spouses except for the implicit rate subsidy described above. For fiscal year 2021, the City contributed \$-0- to the plan. Plan members receiving benefits contribute 100% of their premium costs. As of December 31, 2021, there were no retirees receiving health benefits from the City's health plans.

C. Total OPEB Liability

The City's Total OPEB liability was measured as of December 31, 2021 and was determined by an actuarial valuation as of December 31, 2020. As the City has less than 100 employees (active and inactive) who are provided with OPEB through the plan, this valuation was done utilizing the alternative method of measuring the City's net OPEB liability.

Actuarial Assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<u>Valuation Date:</u>	December 31, 2020
<u>Measurement Date:</u>	December 31, 2021
<u>Methods and Assumptions Used to Determine the Contribution Rates:</u>	
Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Amortization Period	Investment gains/losses are amortized over 5 years and liability gains/losses are amortized over Average Working Lifetime
Inflation	2.50%
Healthcare Cost Trend Rate	6.50% for 2021, decreasing 0.30% per year through 2025 and then to an ultimate rate of 3.80% over the next fifty years
Salary Increases	3.25%
Discount Rate	2.06% (municipal bond rate)
Retirement Age	Age 56 for Police & Fire, Age 63 for all others (based on PERA average rates)
Mortality	RP-2014 with MP-2018 generational improvements

Discount Rate

The City's OPEB plan is not funded by a trust, and therefore, the City's uses the 20-year municipal bond index rate to develop its long-term rate of return and discount rate. This rate was 2.06% in the current actuarial valuation and measurement date, which was updated from the 2.12% used in the prior measurement date.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

D. Changes in the Total OPEB Liability

The details of the changes in the City's total OPEB Liability were as follows for 2021:

	Increase (Decrease) Total OPEB Liability (a)
Balances at 12/31/20	\$ 364,923
Changes for the Year:	
Service Cost	28,337
Interest	8,337
Differences Between Expected and Actual Experience	11,874
Contributions - Employer	-
Net Investment Income	-
Benefit Payments	-
Changes in Assumptions	(11,925)
Net Changes	<u>36,623</u>
Balances at 12/31/21	<u>\$ 401,546</u>

The following changes in assumptions occurred between the current and prior actuarial valuations and measurement dates:

- The medical trend rate was updated based on recently published trend models and trend surveys to better reflect future anticipated experience.
- The medical per capita claims tables were updated based on recent experience and demographics.
- The discount rate used is the 20-year municipal bond index, as the plan is not funded. This assumed rate decreased from 2.12% to 2.06%.
- Withdrawal, mortality, and salary scale assumptions were updated to those included in the recently published PERA General and Police & Fire actuarial valuations.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

E. Sensitivity of Total OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.06%) or 1-percentage-point higher (3.06%) than the current discount rate:

	1% Decrease (1.06)%	Discount Rate (2.06)%	1% Increase (3.06)%
Net OPEB Liability (Asset)	\$ 443,926	\$ 401,546	\$ 362,494

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5% decreasing to 2.9%) or 1-percentage-point higher (7.5% decreasing to 4.9%) than the current healthcare cost trend rates:

	1% Decrease (5.50% Decreasing to 2.90%)	Healthcare Cost Trend Rates (6.50% Decreasing to 3.90%)	1% Increase (7.50% Decreasing to 4.90%)
Net OPEB Liability (Asset)	\$ 342,547	\$ 401,546	\$ 471,881

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the City recognized OPEB expense of \$218,465. At December 31, 2021, the City did not report any deferred outflows of resources and deferred inflows of resources related to OPEB.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 FUND BALANCES

Certain portions of fund balance are restricted to provide for funding on certain long-term liabilities or as required by other outside parties. Restricted, Committed, and Assigned fund balances at December 31, 2021 are as follows:

- A. **Restricted for Debt Service** – This represents amounts which are restricted for future debt payments.
- B. **Restricted for Parkland Acquisitions and Improvements** – Represents amounts which are received through park dedication fees and are restricted for parkland acquisitions and improvements.
- C. **Restricted for Road Maintenance** – Represents State municipal construction aid and municipal maintenance aid as well as levied revenues that are restricted to be used for various road maintenance projects.
- D. **Committed for Emergency Warning Siren** – Represents amounts committed by the City Council for the replacement of the emergency warning siren system.
- E. **Committed for Tree Replacement** – Represents amounts committed by the City Council to be used for various tree replacement projects.
- F. **Assigned for Subsequent Year Budget** – Represents the portion of fund balance which is assigned by the City to be spent down in the subsequent year.
- G. **Assigned for Capital Plan Improvements** – Represents amounts which are assigned by the City to finance future capital projects which are a part of the City's Capital Improvement Plan.

NOTE 10 COMMITMENTS AND CONTINGENCIES

- A. Federal and State Revenue

Amounts recorded or receivable from state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of claims which may be disallowed by the grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 COMMITMENTS AND CONTINGENCIES (CONTINUED)

B. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT) which is a risk sharing pool for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years. The City continues to carry commercial insurance for all other risks of loss, including disability and employee health insurance. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

C. Public Safety Contract

The City has a contract to provide public safety services to the City of St. Bonifacius, Minnesota. The annual service fee will be determined based on a percentage of the City's annual police department budget. The percentage of the annual budget to be paid by the City of Bonifacius will be based on the respective populations and tax capacities of the two cities. During 2021, the City received \$234,514 from the City of St. Bonifacius for public safety services.

D. Fire Protection Services Contract

The City has contracted with the cities of St. Bonifacius and Mound, Minnesota to provide fire protection services for portions of the City. The annual fee will be determined based on a formula that includes the level of services provided and the market values of the fire service area covered by the contract. The City paid \$455,117 for fire protection services in 2021.

E. Public Safety Building

The City of Mound issued general obligation bonds to finance the construction of a public safety building, a portion of which is used for the Mound Police Department and the other portion used by the area fire service, which consists of five area cities, including the City of Minnetrista. As part of its annual fee for fire protection services, the City has agreed to contribute its proportionate share of the area fire service's debt service obligation on the bonds. The City's payments for 2021 for principal and interest totaled \$74,980. Future payments are contingent upon the City continuing participation in the area fire service.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 COMMITMENTS AND CONTINGENCIES (CONTINUED)

F. Construction Commitments

The City had the following construction commitments as of December 31, 2021:

Project	Final Contracted Amount	Expended Through 12/31/2021	Remaining Commitment
2021 MSA Improvement Project	\$ 599,919	\$ 530,568	\$ 69,351
Utility Improvement Projects	699,411	670,303	29,108
500M CET Southwest Water Tower	2,288,500	2,175,303	113,197
Total	<u>\$ 3,587,830</u>	<u>\$ 3,376,174</u>	<u>\$ 211,656</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF MINNETRISTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND – BUDGET TO ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
REVENUE				
Property Taxes	\$ 3,486,373	\$ 3,486,373	\$ 3,500,659	\$ 14,286
Licenses and Permits	765,500	765,500	812,506	47,006
Intergovernmental Revenue	169,852	169,852	182,264	12,412
Charges for Services	334,214	334,214	351,709	17,495
Fines and Forfeits	35,800	35,800	31,180	(4,620)
Other Revenue:				
Investment Earnings	44,000	44,000	14,647	(29,353)
Miscellaneous Revenue	140,486	140,486	155,707	15,221
Total Revenue	<u>4,976,225</u>	<u>4,976,225</u>	<u>5,013,229</u>	<u>37,004</u>
EXPENDITURES				
General Government:				
Mayor and City Council	31,498	31,498	27,521	(3,977)
Administration	536,525	536,525	502,070	(34,455)
Elections	800	800	613	(187)
Assessing	158,000	158,000	158,000	-
Legal	102,000	102,000	108,358	6,358
Planning	221,840	221,840	218,955	(2,885)
Government Building	78,700	78,700	72,506	(6,194)
Total General Government	<u>1,129,363</u>	<u>1,129,363</u>	<u>1,088,023</u>	<u>(41,340)</u>
Public Safety:				
Police	2,191,036	2,191,036	2,230,917	39,881
Fire	466,584	466,584	467,487	903
Inspection and Zoning	230,544	230,544	238,730	8,186
Total Public Safety	<u>2,888,164</u>	<u>2,888,164</u>	<u>2,937,134</u>	<u>48,970</u>
Public Works:				
Other	984,393	984,393	948,853	(35,540)
Parks and Recreation:				
Other	162,721	162,721	172,437	9,716
Miscellaneous:				
Other	29,000	29,000	24,571	(4,429)
Total Expenditures	<u>5,193,641</u>	<u>5,193,641</u>	<u>5,171,018</u>	<u>(22,623)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>(217,416)</u>	<u>(217,416)</u>	<u>(157,789)</u>	<u>59,627</u>
OTHER FINANCE SOURCES				
Proceeds from Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>9,115</u>	<u>9,115</u>
NET CHANGE IN FUND BALANCES	<u>\$ (217,416)</u>	<u>\$ (217,416)</u>	<u>(148,674)</u>	<u>\$ 68,742</u>
FUND BALANCES				
Beginning of Year			<u>3,480,982</u>	
End of Year			<u>\$ 3,332,308</u>	

CITY OF MINNETRISTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ROAD MAINTENANCE FUND – BUDGET TO ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Property Taxes	\$ 725,000	\$ 725,000	\$ 725,000	\$ -
Special Assessments	25,000	25,000	382,865	357,865
Intergovernmental Revenue	527,200	527,200	671,599	144,399
Investment Earnings	5,000	5,000	(6,244)	(11,244)
Total Revenue	1,282,200	1,282,200	1,773,220	491,020
EXPENDITURES				
Streets:				
Other	437,200	437,200	551,933	114,733
Capital Outlay:				
Other	1,667,945	1,667,945	1,907,136	239,191
Total Expenditures	2,105,145	2,105,145	2,459,069	353,924
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(822,945)	(822,945)	(685,849)	137,096
OTHER FINANCE USES				
Transfers Out	(25,025)	(25,025)	(25,025)	-
NET CHANGE IN FUND BALANCES	<u>\$ (847,970)</u>	<u>\$ (847,970)</u>	(710,874)	<u>\$ 137,096</u>
FUND BALANCES				
Beginning of Year			1,255,075	
End of Year			<u>\$ 544,201</u>	

**CITY OF MINNETRISTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2021**

Expenditures exceeded budgeted amounts in the following major funds at December 31, 2021:

<u>Fund</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue Funds:			
Road Maintenance	\$ 2,105,145	\$ 2,459,069	\$ 353,924

CITY OF MINNETRISTA
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
DECEMBER 31, 2021

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 28,337	\$ 24,495	\$ 19,755	\$ 8,424
Interest	8,337	9,077	4,575	3,311
Changes of Benefit Terms	-	-	-	-
Difference Between Expected and Actual Experience	11,874	-	164,245	-
Changes in Assumptions	(11,925)	24,555	26,129	(7,481)
Benefit Payments	-	-	-	-
Net Change in Total OPEB Liability	36,623	58,127	214,704	4,254
Total OPEB Liability - Beginning	364,923	306,796	92,092	87,838
Total OPEB Liability - Ending	<u>\$ 401,546</u>	<u>\$ 364,923</u>	<u>\$ 306,796</u>	<u>\$ 92,092</u>
Total OPEB Liability	\$ 401,546	\$ 364,923	\$ 306,796	\$ 92,092
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 3,000,000	\$ 2,400,000	\$ 2,300,000	\$ 2,500,000
City's Total OPEB Liability as a Percentage of the Covered Employee Payroll	13.38%	15.21%	13.34%	3.68%

Additional data will be presented as it becomes available and eventually ten years of data will be presented.

Notes to Schedule

Valuation Date: December 31, 2020

Measurement Date: December 31, 2021

Methods and Assumptions Used to Determine the Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Amortization Period	Investment gains/losses are amortized over 5 years and liability gains/losses are amortized over Average Working Lifetime
Inflation	2.50%
Healthcare Cost Trend Rate	6.50% for 2021, decreasing 0.30% per year through 2025 and then to an ultimate rate of 3.90% over the next fifty years
Salary Increases	3.25%
Discount Rate	2.06% (municipal bond rate)
Retirement Age	Age 56 for Police & Fire, Age 63 for all others (based on PERA average rates)
Mortality	RP-2014 with MP-2018 generational improvements

CITY OF MINNETRISTA
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
(CONTINUED)
DECEMBER 31, 2021

Changes in Assumptions:

2018:

- The discount rate used is the 20-year municipal bond index, as the plan is not funded. This assumed rate increased from 4.00% to 4.09%.
- The actuarial Cost Methods was updated along with the implementation of GASB Statement No. 75 to the Entry Age Normal level percent of pay method, with investment gains/losses being amortized over 5 years, liability gains/losses are amortized over the assumed average working lifetime, and plan changes are recognized immediately. Previously, under GASB Statement No. 45, the Entry Age Normal actuarial cost method was used, and the unfunded actuarial accrued liability was being amortized as a level percent of payroll over a 30-year period.

2019:

- The discount rate used is the 20-year municipal bond index, as the plan is not funded. This assumed rate decreased from 4.09% to 2.74%.

2020:

- The discount rate used is the 20-year municipal bond index, as the plan is not funded. This assumed rate decreased from 2.74% to 2.12%.
- The assumed rate for salary increases decreased from 3.5% to 3.25%

2021:

- The medical trend rate was updated based on recently published trend models and trend surveys to better reflect future anticipated experience.
- The medical per capita claims tables were updated based on recent experience and demographics.
- The discount rate used is the 20-year municipal bond index, as the plan is not funded. This assumed rate decreased from 2.12% to 2.06%.
- Withdrawal, mortality, and salary scale assumptions were updated to those included in the recently published PERA General and Police & Fire actuarial valuations.

**CITY OF MINNETRISTA
PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
DECEMBER 31, 2021**

	<u>Measurement Date 6/30/2021</u>	<u>Measurement Date 6/30/2020</u>	<u>Measurement Date 6/30/2019</u>	<u>Measurement Date 6/30/2018</u>	<u>Measurement Date 6/30/2017</u>	<u>Measurement Date 6/30/2016</u>	<u>Measurement Date 6/30/2015</u>	<u>Measurement Date 6/30/2014</u>
City's Proportion of the Net Pension Liability	0.0232%	0.0219%	0.0218%	0.0219%	0.0204%	0.0212%	0.0183%	0.0186%
City's Proportionate Share of the Net Pension Liability	\$ 990,744	\$ 1,313,005	\$ 1,205,273	\$ 1,214,923	\$ 1,302,323	\$ 1,721,335	\$ 948,401	\$ 873,735
State's Proportionate Share of the Net Pension Liability Associated with the City	30,245	40,353	37,332	39,798	16,384	-	-	-
Total	<u>\$ 1,020,989</u>	<u>\$ 1,353,358</u>	<u>\$ 1,242,605</u>	<u>\$ 1,254,721</u>	<u>\$ 1,318,707</u>	<u>\$ 1,721,335</u>	<u>\$ 948,401</u>	<u>\$ 873,735</u>
City's Covered Payroll	\$ 1,669,085	\$ 1,561,695	\$ 1,543,927	\$ 1,492,082	\$ 1,319,516	\$ 1,317,129	\$ 1,077,624	\$ 1,008,276
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	61.17%	86.66%	80.48%	84.09%	99.94%	130.69%	88.01%	86.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.00%	79.06%	80.23%	79.53%	75.90%	68.91%	78.20%	78.70%
	<u>Measurement Date 6/30/2021</u>	<u>Measurement Date 6/30/2020</u>	<u>Measurement Date 6/30/2019</u>	<u>Measurement Date 6/30/2018</u>	<u>Measurement Date 6/30/2017</u>	<u>Measurement Date 6/30/2016</u>	<u>Measurement Date 6/30/2015</u>	<u>Measurement Date 6/30/2014</u>
City's Proportion of the Net Pension Liability	0.1019%	0.1005%	0.1080%	0.1032%	0.1000%	0.0940%	0.0920%	0.0910%
City's Proportionate Share of the Net Pension Liability	\$ 786,560	\$ 786,560	\$ 1,149,769	\$ 1,100,006	\$ 1,350,119	\$ 3,772,384	\$ 1,045,335	\$ 982,837
State's Proportionate Share of the Net Pension Liability Associated with the City	35,368	31,217	-	-	-	-	-	-
Total	<u>\$ 821,928</u>	<u>\$ 817,777</u>	<u>\$ 1,149,769</u>	<u>\$ 1,100,006</u>	<u>\$ 1,350,119</u>	<u>\$ 3,772,384</u>	<u>\$ 1,045,335</u>	<u>\$ 982,837</u>
City's Covered Payroll	\$ 1,206,250	\$ 1,141,708	\$ 1,138,475	\$ 1,087,631	\$ 1,024,530	\$ 904,985	\$ 845,708	\$ 788,333
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	65.21%	68.89%	100.99%	101.14%	131.78%	416.84%	123.60%	124.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.70%	87.19%	89.26%	88.84%	85.40%	63.88%	86.61%	87.10%

Additional data will be presented as it becomes available and eventually ten years of data will be presented.

**CITY OF MINNETRISTA
PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (CONTINUED)
DECEMBER 31, 2021**

NOTES TO SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

General Employees Fund

2021 Changes

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

2020 Changes

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**CITY OF MINNETRISTA
PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (CONTINUED)
DECEMBER 31, 2021**

NOTES TO SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)

2019 Changes

Changes in Actuarial Assumptions:

- The morality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions:

- The morality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**CITY OF MINNETRISTA
PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (CONTINUED)
DECEMBER 31, 2021**

**NOTES TO SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY (CONTINUED)**

2017 Changes

Changes in Actuarial Assumptions:

- The combined service annuity (CSA) loads were changed from 0.80% for active members and 60.00% for vested and nonvested deferred members. The revised CSA load are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for non-vested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

Changes in Plan Provisions:

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increase the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

**CITY OF MINNETRISTA
PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (CONTINUED)
DECEMBER 31, 2021**

**NOTES TO SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY (CONTINUED)**

Police and Fire Fund

2021 Changes

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

2020 Changes

Changes in Actuarial Assumptions:

- The morality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions:

- The morality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

**CITY OF MINNETRISTA
PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (CONTINUED)
DECEMBER 31, 2021**

NOTES TO SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)

2018 Changes

Changes in Actuarial Assumptions:

- The morality projection scale was changed from MP-2016 to MP-2017.

Changes in Plan Provisions:

- Postretirement benefit increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019 and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions:

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00% for vested and nonvested, deferred members. The CSA has been changed to 33.00% for vested members and 2.00% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00% to 60.00%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.

**CITY OF MINNETRISTA
PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (CONTINUED)
DECEMBER 31, 2021**

NOTES TO SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)

2017 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- The assumed postretirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.
- The single discount rate was changed from 5.60% per annum to 7.50% per annum.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2037 and 2.50% per year thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%.
- The single discount rate changed from 7.90% to 5.60%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2037 and 2.50% per year thereafter.

Changes in Plan Provisions:

- The postretirement benefit increase to be paid after the attainment of the 90.00% funding threshold was changed from inflation up to 2.50%, to a fixed rate of 2.50%.

**CITY OF MINNETRISTA
PERA SCHEDULE OF CITY CONTRIBUTIONS
DECEMBER 31, 2021**

GERF Schedule of City Contributions

	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	\$ 108,473	\$ 119,898	\$ 116,456	\$ 114,742	\$ 105,809	\$ 94,798	\$ 92,221	\$ 73,100
Contributions in Relation to the Statutorily Required Contribution	(108,473)	(119,898)	(116,456)	(114,742)	(105,809)	(94,798)	(92,221)	(73,100)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 1,446,307	\$ 1,598,640	\$ 1,552,747	\$ 1,529,893	\$ 1,410,787	\$ 1,263,973	\$ 1,229,613	\$ 1,008,276
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.25%

PEPFF Schedule of City Contributions

	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	\$ 210,625	\$ 204,476	\$ 194,775	\$ 180,459	\$ 172,220	\$ 151,797	\$ 144,518	\$ 127,710
Contributions in Relation to the Statutorily Required Contribution	(210,625)	(204,476)	(194,775)	(180,459)	(172,220)	(151,797)	(144,518)	(127,710)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 1,189,972	\$ 1,155,232	\$ 1,149,115	\$ 1,113,944	\$ 1,063,086	\$ 937,019	\$ 892,086	\$ 788,333
Contributions as a Percentage of Covered Payroll	17.70%	17.70%	16.95%	16.20%	16.20%	16.20%	16.20%	16.20%

Additional data will be presented as it becomes available and eventually ten years of data will be presented.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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**CITY OF MINNETRISTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021**

	Special Revenue	Debt Service	Capital Project	Totals
ASSETS				
Cash and Investments	\$ 2,242,172	\$ 1,736,430	\$ 10,409	\$ 3,989,011
Receivables:				
Miscellaneous Receivables (Net of Allowance)	37,782	8	-	37,790
Accrued Interest	1,694	1,620	10	3,324
Delinquent Special Assessments	-	23,646	-	23,646
Other Special Assessments Receivable	-	662,461	-	662,461
Due from Other Governmental Units	-	184,130	-	184,130
Total Assets	<u>\$ 2,281,648</u>	<u>\$ 2,608,295</u>	<u>\$ 10,419</u>	<u>\$ 4,900,362</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts and Contracts Payable	\$ 144,840	\$ -	\$ 17,975	\$ 162,815
Unearned Revenue	444,232	-	-	444,232
Total Liabilities	<u>589,072</u>	<u>-</u>	<u>17,975</u>	<u>607,047</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Special Assessment	-	686,107	-	686,107
Unavailable Revenue - Other	-	172,523	-	172,523
Total Deferred Inflows of Resources	<u>-</u>	<u>858,630</u>	<u>-</u>	<u>858,630</u>
FUND BALANCE				
Restricted:				
Debt Service	-	1,749,665	-	1,749,665
Parkland Acquisitions and Improvement	1,047,042	-	-	1,047,042
Committed:				
Emergency Warning Siren Operation	234,192	-	-	234,192
Tree Replacement	411,740	-	-	411,740
Unassigned	(398)	-	(7,556)	(7,954)
Total Fund Balance	<u>1,692,576</u>	<u>1,749,665</u>	<u>(7,556)</u>	<u>3,434,685</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 2,281,648</u>	<u>\$ 2,608,295</u>	<u>\$ 10,419</u>	<u>\$ 4,900,362</u>

**CITY OF MINNETRISTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2021**

	Special Revenue	Debt Service	Capital Project	Totals
REVENUE				
Property Taxes	\$ -	\$ 778,812	\$ 100,000	\$ 878,812
Special Assessments	-	181,853	-	181,853
Gifts and Contributions	2,000	-	-	2,000
Other Revenue:				
Investment Earnings	6,624	5,678	(152)	12,150
Unrealized Loss on Investments	(17,856)	(14,132)	(85)	(32,073)
Miscellaneous Revenue	308,192	50,791	-	358,983
Total Revenue	<u>298,960</u>	<u>1,003,002</u>	<u>99,763</u>	<u>1,401,725</u>
EXPENDITURES				
Current:				
General Government:				
Administration	-	-	3,700	3,700
Public Works:				
Other	263	-	-	263
Capital Outlay:				
Other	181,186	-	167,197	348,383
Debt Service:				
Principal Retirement	-	756,328	-	756,328
Interest and Fiscal Charges	-	272,857	-	272,857
Total Expenditures	<u>181,449</u>	<u>1,029,185</u>	<u>170,897</u>	<u>1,381,531</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	117,511	(26,183)	(71,134)	20,194
OTHER FINANCE SOURCES (USES)				
Transfers In	-	39,408	-	39,408
Transfers Out	(14,383)	-	-	(14,383)
Proceeds form Sale of Capital Assets	-	-	15,890	15,890
Total Other Finance Sources (Uses)	<u>(14,383)</u>	<u>39,408</u>	<u>15,890</u>	<u>40,915</u>
NET CHANGE IN FUND BALANCES	103,128	13,225	(55,244)	61,109
FUND BALANCES				
Beginning of Year	<u>1,589,448</u>	<u>1,736,440</u>	<u>47,688</u>	<u>3,373,576</u>
End of Year	<u>\$ 1,692,576</u>	<u>\$ 1,749,665</u>	<u>\$ (7,556)</u>	<u>\$ 3,434,685</u>

NONMAJOR SPECIAL REVENUE FUNDS

Nonmajor special revenue funds are used to account for revenue derived from specific revenue sources that are legally restricted to expenditures for specific purposes.

Emergency Warning Siren Fund – Used to account for amounts received and related expenditures for the replacement of the City's emergency warning siren system.

Park Development Fund – Used to account for received park dedication fees to be used for land acquisition and park development.

Tree Replacement Fund – Used to account for amounts received and related expenditures for various tree replacement projects of the City.

ARPA Grants – Used to account for amounts received and related expenditures for federal American Rescue Plan Act grants.

Land Use Fund – Used to account for amounts received and expended for various land use projects of the City.

**CITY OF MINNETRISTA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021**

	Emergency Warning Siren (402)	Park Development (404)	Tree Replacement (407)	ARPA Grants (409)	Land Use (801)	Totals
ASSETS						
Cash and Investments	\$ 233,967	\$ 1,104,879	\$ 411,345	\$ 443,834	\$ 48,147	\$ 2,242,172
Receivables:						
Miscellaneous Receivables (Net of Allowance)	-	-	-	-	37,782	37,782
Accrued Interest	225	1,074	395	-	-	1,694
	<u>225</u>	<u>1,074</u>	<u>395</u>	<u>-</u>	<u>-</u>	<u>1,694</u>
Total Assets	<u>\$ 234,192</u>	<u>\$ 1,105,953</u>	<u>\$ 411,740</u>	<u>\$ 443,834</u>	<u>\$ 85,929</u>	<u>\$ 2,281,648</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts and Contracts Payable	\$ -	\$ 58,911	\$ -	\$ -	\$ 85,929	\$ 144,840
Unearned Revenue	-	-	-	444,232	-	444,232
Total Liabilities	<u>-</u>	<u>58,911</u>	<u>-</u>	<u>444,232</u>	<u>85,929</u>	<u>589,072</u>
FUND BALANCE						
Restricted:						
Parkland Acquisitions and Improvement	-	1,047,042	-	-	-	1,047,042
Committed:						
Emergency Warning Siren Operation	234,192	-	-	-	-	234,192
Tree Replacement	-	-	411,740	-	-	411,740
Unassigned	-	-	-	(398)	-	(398)
Total Fund Balance	<u>234,192</u>	<u>1,047,042</u>	<u>411,740</u>	<u>(398)</u>	<u>-</u>	<u>1,692,576</u>
Total Liabilities and Fund Balance	<u>\$ 234,192</u>	<u>\$ 1,105,953</u>	<u>\$ 411,740</u>	<u>\$ 443,834</u>	<u>\$ 85,929</u>	<u>\$ 2,281,648</u>

**CITY OF MINNETRISTA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2021**

	Emergency Warning Siren (402)	Park Development (404)	Tree Replacement (407)	ARPA Grants (409)	Land Use (801)	Totals
REVENUE						
Gifts and Contributions	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000
Other Revenue:						
Investment Earnings	477	2,149	784	3,214	-	6,624
Unrealized Loss on Investments	(1,904)	(8,992)	(3,348)	(3,612)	-	(17,856)
Miscellaneous Revenue	12,800	295,392	-	-	-	308,192
Total Revenue	<u>11,373</u>	<u>288,549</u>	<u>(564)</u>	<u>(398)</u>	<u>-</u>	<u>298,960</u>
EXPENDITURES						
Public Works:						
Other	-	263	-	-	-	263
Capital Outlay	-	177,373	3,813	-	-	181,186
Total Expenditures	<u>-</u>	<u>177,636</u>	<u>3,813</u>	<u>-</u>	<u>-</u>	<u>181,449</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	11,373	110,913	(4,377)	(398)	-	117,511
OTHER FINANCE USES						
Transfers Out	-	(14,383)	-	-	-	(14,383)
NET CHANGE IN FUND BALANCES	11,373	96,530	(4,377)	(398)	-	103,128
FUND BALANCES						
Beginning of Year	<u>222,819</u>	<u>950,512</u>	<u>416,117</u>	<u>-</u>	<u>-</u>	<u>1,589,448</u>
End of Year	<u>\$ 234,192</u>	<u>\$ 1,047,042</u>	<u>\$ 411,740</u>	<u>\$ (398)</u>	<u>\$ -</u>	<u>\$ 1,692,576</u>

**CITY OF MINNETRISTA
EMERGENCY WARNING SIREN FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts <u>Original and Final</u>	<u>Actual</u>	Over (Under) Final Budget
REVENUE			
Investment Earnings	\$ 2,000	\$ (1,427)	\$ (3,427)
Miscellaneous Revenue	<u>2,000</u>	<u>12,800</u>	<u>10,800</u>
Total Revenue	4,000	11,373	7,373
EXPENDITURES			
Capital Outlay:			
Other	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ 4,000</u></u>	11,373	<u><u>\$ 7,373</u></u>
FUND BALANCES			
Beginning of Year		<u>222,819</u>	
End of Year		<u><u>\$ 234,192</u></u>	

**CITY OF MINNETRISTA
PARK DEVELOPMENT FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts <u>Original and Final</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
REVENUE			
Investment Earnings	\$ 9,159	\$ (6,843)	\$ (16,002)
Miscellaneous Revenue	<u>50,000</u>	<u>295,392</u>	<u>245,392</u>
Total Revenue	<u>59,159</u>	<u>288,549</u>	<u>229,390</u>
EXPENDITURES			
Current:			
Parks and Recreation:			
Other	-	263	263
Capital Outlay:			
Other	<u>160,000</u>	<u>177,373</u>	<u>17,373</u>
Total Expenditures	<u>160,000</u>	<u>177,636</u>	<u>17,636</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(100,841)	110,913	211,754
OTHER FINANCE USES			
Transfers Out	<u>(14,383)</u>	<u>(14,383)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ (115,224)</u></u>	96,530	<u><u>\$ 211,754</u></u>
FUND BALANCES			
Beginning of Year		<u>950,512</u>	
End of Year		<u><u>\$ 1,047,042</u></u>	

**CITY OF MINNETRISTA
TREE REPLACEMENT FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Contributions	\$ -	\$ -	\$ 2,000	\$ 2,000
Investment Earnings	4,000	4,000	(2,564)	(6,564)
Total Revenue	4,000	4,000	(564)	(4,564)
EXPENDITURES				
Capital Outlay	5,000	5,000	3,813	(1,187)
NET CHANGE IN FUND BALANCES	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>	(4,377)	<u>\$ (3,377)</u>
FUND BALANCES				
Beginning of Year			416,117	
End of Year			<u>\$ 411,740</u>	

NONMAJOR DEBT SERVICE FUNDS

Nonmajor debt service funds are used to account for the accumulation of resources used for the payment of principal, interest, and fiscal charges on various City bond issues.

**CITY OF MINNETRISTA
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021**

	Mound Fire Improvement Bonds of 2003 (514)	G.O. Improvement Bonds of 2007A (526)	G.O. Improvement Bonds of 2014B (527)	G.O. Improvement Bonds of 2019A (528)	G.O. Improvement Bonds of 2012A (529)	G.O. Equipment Certificates of 2015A (501)	2017 Street Project Debt Service (532)	Totals
ASSETS								
Cash and Investments	\$ 8,667	\$ 63,093	\$ 413,584	\$ 141,455	\$ 121,393	\$ 414,588	\$ 573,650	\$ 1,736,430
Receivables:								
Miscellaneous Receivables (net of allowance)	8	-	-	-	-	-	-	8
Accrued Interest	-	61	397	122	92	398	550	1,620
Delinquent Special Assessments	-	20,055	-	3,302	-	-	289	23,646
Other Special Assessments Receivable	-	-	-	237,123	17,600	-	407,738	662,461
Due from Other Governmental Units	866	95	4,161	2,803	172,523	1,684	1,998	184,130
	<u>866</u>	<u>95</u>	<u>4,161</u>	<u>2,803</u>	<u>172,523</u>	<u>1,684</u>	<u>1,998</u>	<u>184,130</u>
Total Assets	<u>\$ 9,541</u>	<u>\$ 83,304</u>	<u>\$ 418,142</u>	<u>\$ 384,805</u>	<u>\$ 311,608</u>	<u>\$ 416,670</u>	<u>\$ 984,225</u>	<u>\$ 2,608,295</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE								
LIABILITIES								
Accounts and Contracts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Special Assessment	-	20,055	-	240,425	17,600	-	408,027	686,107
Unavailable Revenue - Other	-	-	-	-	172,523	-	-	172,523
Total Deferred Inflows of Resources	-	20,055	-	240,425	190,123	-	408,027	858,630
FUND BALANCE								
Restricted:								
Debt Service	9,541	63,249	418,142	144,380	121,485	416,670	576,198	1,749,665
	<u>9,541</u>	<u>63,249</u>	<u>418,142</u>	<u>144,380</u>	<u>121,485</u>	<u>416,670</u>	<u>576,198</u>	<u>1,749,665</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 9,541</u>	<u>\$ 83,304</u>	<u>\$ 418,142</u>	<u>\$ 384,805</u>	<u>\$ 311,608</u>	<u>\$ 416,670</u>	<u>\$ 984,225</u>	<u>\$ 2,608,295</u>

**CITY OF MINNETRISTA
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2021**

	Mound Fire Improvement Bonds of 2003 (514)	G.O. Improvement Bonds of 2007A (526)	G.O. Improvement Bonds of 2014B (527)	G.O. Improvement Bonds of 2019A (528)	G.O. Improvement Bonds of 2012A (529)	G.O. Equipment Certificates of 2015A (501)	2017 Street Project Debt Service (532)	Totals
REVENUE								
Property Taxes	\$ 71,321	\$ 20,307	\$ 342,736	\$ 88,881	\$ -	\$ 138,680	\$ 116,887	\$ 778,812
Special Assessments	-	4,811	-	73,630	3,819	-	99,593	181,853
Other Revenue:								
Investment Earnings	59	(22)	1,698	775	398	1,148	1,622	5,678
Unrealized Loss on Investments	(71)	(513)	(3,366)	(1,151)	(988)	(3,374)	(4,669)	(14,132)
Miscellaneous Revenue	-	-	19,664	-	31,127	-	-	50,791
Total Revenue	71,309	24,583	360,732	162,135	34,356	136,454	213,433	1,003,002
EXPENDITURES								
Debt Service:								
Principal Retirement	71,328	45,000	270,000	80,000	50,000	125,000	115,000	756,328
Interest and Fiscal Charges	3,652	12,784	93,234	51,784	9,196	22,765	79,442	272,857
Total Debt Service	74,980	57,784	363,234	131,784	59,196	147,765	194,442	1,029,185
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(3,671)	(33,201)	(2,502)	30,351	(24,840)	(11,311)	18,991	(26,183)
OTHER FINANCE SOURCES								
Transfers In	-	-	-	14,383	25,025	-	-	39,408
NET CHANGE IN FUND BALANCES	(3,671)	(33,201)	(2,502)	44,734	185	(11,311)	18,991	13,225
FUND BALANCES								
Beginning of Year	13,212	96,450	420,644	99,646	121,300	427,981	557,207	1,736,440
End of Year	\$ 9,541	\$ 63,249	\$ 418,142	\$ 144,380	\$ 121,485	\$ 416,670	\$ 576,198	\$ 1,749,665

CITY OF MINNETRISTA
MOUND FIRE IMPROVEMENT BONDS OF 2003 FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Property Taxes	\$ 72,000	\$ 72,000	\$ 71,321	\$ (679)
Investment Earnings	-	-	(12)	(12)
Total Revenue	<u>72,000</u>	<u>72,000</u>	<u>71,309</u>	<u>(691)</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	68,217	68,217	71,328	3,111
Interest and Fiscal Charges	-	-	3,652	3,652
Total Debt Service	<u>68,217</u>	<u>68,217</u>	<u>74,980</u>	<u>6,763</u>
NET CHANGE IN FUND BALANCES	<u>\$ 3,783</u>	<u>\$ 3,783</u>	(3,671)	<u>\$ (7,454)</u>
FUND BALANCES				
Beginning of Year			<u>13,212</u>	
End of Year			<u>\$ 9,541</u>	

CITY OF MINNETRISTA
G.O. IMPROVEMENT BONDS OF 2007A FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Property Taxes	\$ 20,500	\$ 20,500	\$ 20,307	\$ (193)
Special Assessments	15,000	15,000	4,811	(10,189)
Investment Earnings	1,000	1,000	(535)	(1,535)
Total Revenue	<u>36,500</u>	<u>36,500</u>	<u>24,583</u>	<u>(11,917)</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	45,000	45,000	45,000	-
Interest and Fiscal Charges	12,800	12,800	12,784	(16)
Total Debt Service	<u>57,800</u>	<u>57,800</u>	<u>57,784</u>	<u>(16)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (21,300)</u>	<u>\$ (21,300)</u>	<u>(33,201)</u>	<u>\$ (11,901)</u>
FUND BALANCES				
Beginning of Year			<u>96,450</u>	
End of Year			<u>\$ 63,249</u>	

CITY OF MINNETRISTA
G.O. IMPROVEMENT BONDS OF 2014B FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Property Taxes	\$ 346,000	\$ 346,000	\$ 342,736	\$ (3,264)
Investment Earnings	2,000	2,000	(1,668)	(3,668)
Miscellaneous Revenue	19,664	19,664	19,664	-
Total Revenue	367,664	367,664	360,732	(6,932)
EXPENDITURES				
Debt Service:				
Principal Retirement	270,000	270,000	270,000	-
Interest and Fiscal Charges	93,250	93,250	93,234	(16)
Total Debt Service	363,250	363,250	363,234	(16)
NET CHANGE IN FUND BALANCES	<u>\$ 4,414</u>	<u>\$ 4,414</u>	(2,502)	<u>\$ (6,916)</u>
FUND BALANCES				
Beginning of Year			420,644	
End of Year			<u>\$ 418,142</u>	

CITY OF MINNETRISTA
G.O. IMPROVEMENT BONDS OF 2019A FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Property Taxes	\$ 89,729	\$ 89,729	\$ 88,881	\$ (848)
Special Assessments	40,000	40,000	73,630	33,630
Investment Earnings	500	500	(376)	(876)
Total Revenue	130,229	130,229	162,135	31,906
EXPENDITURES				
Debt Service:				
Principal Retirement	80,000	80,000	80,000	-
Interest and Fiscal Charges	51,800	51,800	51,784	(16)
Total Debt Service	131,800	131,800	131,784	(16)
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(1,571)	(1,571)	30,351	31,922
OTHER FINANCE SOURCES				
Transfers In	14,383	14,383	14,383	-
NET CHANGE IN FUND BALANCES	<u>\$ 12,812</u>	<u>\$ 12,812</u>	44,734	<u>\$ 31,922</u>
FUND BALANCES				
Beginning of Year			99,646	
End of Year			<u>\$ 144,380</u>	

CITY OF MINNETRISTA
G.O. IMPROVEMENT BONDS OF 2012A FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Special Assessments	\$ 3,500	\$ 3,500	\$ 3,819	\$ 319
Investment Earnings	1,000	1,000	(590)	(1,590)
Miscellaneous Revenue	31,000	31,000	31,127	127
Total Revenue	35,500	35,500	34,356	(1,144)
EXPENDITURES				
Debt Service:				
Principal Retirement	50,000	50,000	50,000	-
Interest and Fiscal Charges	8,485	8,485	9,196	711
Total Debt Service	58,485	58,485	59,196	711
DEFICIENCY OF REVENUE UNDER EXPENDITURES	(22,985)	(22,985)	(24,840)	(1,855)
OTHER FINANCE SOURCES				
Transfers In	25,025	25,025	25,025	-
NET CHANGE IN FUND BALANCES	<u>\$ 2,040</u>	<u>\$ 2,040</u>	185	<u>\$ (1,855)</u>
FUND BALANCES				
Beginning of Year			121,300	
End of Year			<u>\$ 121,485</u>	

CITY OF MINNETRISTA
G.O. EQUIPMENT CERTIFICATES OF 2015A FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Property Taxes	\$ 140,000	\$ 140,000	\$ 138,680	\$ (1,320)
Investment Earnings	2,000	2,000	(2,226)	(4,226)
Total Revenue	142,000	142,000	136,454	(5,546)
EXPENDITURES				
Debt Service:				
Principal Retirement	125,000	125,000	125,000	-
Interest and Fiscal Charges	23,781	23,781	22,765	(1,016)
Total Debt Service	148,781	148,781	147,765	(1,016)
NET CHANGE IN FUND BALANCES	<u>\$ (6,781)</u>	<u>\$ (6,781)</u>	(11,311)	<u>\$ (4,530)</u>
FUND BALANCES				
Beginning of Year			427,981	
End of Year			<u>\$ 416,670</u>	

CITY OF MINNETRISTA
2017 STREET PROJECT DEBT SERVICE FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Property Taxes	\$ 118,000	\$ 118,000	\$ 116,887	\$ (1,113)
Special Assessments	50,000	50,000	99,593	49,593
Investment Earnings	7,500	7,500	(3,047)	(10,547)
Total Revenue	175,500	175,500	213,433	37,933
EXPENDITURES				
Debt Service:				
Principal Retirement	110,000	110,000	115,000	5,000
Interest and Fiscal Charges	-	-	79,442	79,442
Total Expenditures	110,000	110,000	194,442	84,442
NET CHANGE IN FUND BALANCES	<u>\$ 65,500</u>	<u>\$ 65,500</u>	18,991	<u>\$ (46,509)</u>
FUND BALANCES				
Beginning of Year			557,207	
End of Year			<u>\$ 576,198</u>	

NONMAJOR CAPITAL PROJECT FUNDS

Nonmajor capital project funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Capital Improvement Fund – Used to account for the resources accumulated and capital expenditures for projects which are a part of the City's Capital Improvement Plan.

**CITY OF MINNETRISTA
NONMAJOR CAPITAL PROJECT FUNDS
BALANCE SHEET
DECEMBER 31, 2021**

	Capital Improvement (401)
	<u> </u>
ASSETS	
Cash and Investments	\$ 10,409
Receivables:	
Accrued Interest	<u>10</u>
Total Assets	<u><u>\$ 10,419</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts and Contracts Payable	\$ 17,975
FUND BALANCE	
Unassigned	<u>(7,556)</u>
Total Liabilities and Fund Balance	<u><u>\$ 10,419</u></u>

**CITY OF MINNETRISTA
NONMAJOR CAPITAL PROJECT FUNDS
STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2021**

	Capital Improvement (401)
REVENUE	
Property Taxes	\$ 100,000
Other Revenue:	
Investment Earnings	(152)
Unrealized Loss on Investments	(85)
Total Revenue	<u>99,763</u>
EXPENDITURES	
General Government:	
Administration	3,700
Capital Outlay:	
Other	167,197
Total Expenditures	<u>170,897</u>
EXCESS (DEFICIENCY) OF REVENUE UNDER EXPENDITURES	(71,134)
OTHER FINANCE SOURCES	
Proceeds from Sale of Capital Assets	<u>15,890</u>
NET CHANGE IN FUND BALANCE	(55,244)
FUND BALANCES	
Beginning of Year	<u>47,688</u>
End of Year	<u><u>\$ (7,556)</u></u>

**CITY OF MINNETRISTA
CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Property Taxes	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Investment Earnings	1,000	1,000	(237)	(1,237)
Total Revenue	101,000	101,000	99,763	(1,237)
EXPENDITURES				
General Government:				
Administration	-	-	3,700	3,700
Capital Outlay:				
Other	202,150	202,150	167,197	(34,953)
Total Expenditures	202,150	202,150	170,897	(31,253)
DEFICIENCY OF REVENUE UNDER EXPENDITURES	(101,150)	(101,150)	(71,134)	30,016
OTHER FINANCE SOURCES				
Proceeds form Sale of Capital Assets	-	-	15,890	15,890
NET CHANGE IN FUND BALANCES	<u>\$ (101,150)</u>	<u>\$ (101,150)</u>	(55,244)	<u>\$ 45,906</u>
FUND BALANCES				
Beginning of Year			47,688	
End of Year			<u>\$ (7,556)</u>	

STATISTICAL SECTION (UNAUDITED)

This part of Minnetrista, Minnesota's Annual Comprehensive Financial Report presents detailed information as a context for understanding what information in the financial statements, note disclosures, and required supplementary information says about City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules contain information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within the City which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to services the City provides and activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the ACFR for the relevant year.

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**CITY OF MINNETRISTA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
Net Investment in Capital Assets	\$ 15,566,817	\$ 15,964,011	\$ 16,231,151	\$ 16,563,080	\$ 16,599,988	\$ 23,024,394	\$ 23,462,495	\$ 27,898,559	\$ 28,358,298	\$ 30,090,017
Restricted	3,933,026	9,889,947	10,647,419	9,271,437	7,706,179	8,767,298	10,127,484	6,718,472	5,588,460	5,830,114
Unrestricted	<u>2,726,677</u>	<u>1,857,939</u>	<u>2,991,147</u>	<u>1,857,033</u>	<u>3,457,549</u>	<u>530,081</u>	<u>(215,288)</u>	<u>(848,372)</u>	<u>1,499,308</u>	<u>1,210,495</u>
Total Governmental Activities Net Position	<u>\$ 22,226,520</u>	<u>\$ 27,711,897</u>	<u>\$ 29,869,717</u>	<u>\$ 27,691,550</u>	<u>\$ 27,763,716</u>	<u>\$ 32,321,773</u>	<u>\$ 33,374,691</u>	<u>\$ 33,768,659</u>	<u>\$ 35,446,066</u>	<u>\$ 37,130,626</u>
Business-Type Activities:										
Net Investment in Capital Assets	\$ 10,776,769	\$ 10,563,847	\$ 11,169,939	\$ 12,775,949	\$ 11,846,587	\$ 17,722,284	\$ 17,783,999	\$ 18,281,381	\$ 19,596,755	\$ 21,613,468
Unrestricted	<u>4,042,164</u>	<u>4,495,729</u>	<u>4,962,343</u>	<u>3,833,870</u>	<u>6,922,646</u>	<u>4,960,954</u>	<u>5,091,286</u>	<u>4,984,513</u>	<u>4,714,240</u>	<u>3,195,215</u>
Total Business-Type Activities Net Position	<u>\$ 14,818,933</u>	<u>\$ 15,059,576</u>	<u>\$ 16,132,282</u>	<u>\$ 16,609,819</u>	<u>\$ 18,769,233</u>	<u>\$ 22,683,238</u>	<u>\$ 22,875,285</u>	<u>\$ 23,265,894</u>	<u>\$ 24,310,995</u>	<u>\$ 24,808,683</u>
Primary Government:										
Net Investment in Capital Assets	\$ 26,343,586	\$ 26,527,858	\$ 27,401,090	\$ 29,339,029	\$ 28,446,575	\$ 40,746,678	\$ 41,246,494	\$ 46,179,940	\$ 47,955,053	\$ 51,703,485
Restricted	3,933,026	9,889,947	10,647,419	9,271,437	7,706,179	8,767,298	10,127,484	6,718,472	5,588,460	5,830,114
Unrestricted	<u>6,768,841</u>	<u>6,353,668</u>	<u>7,953,490</u>	<u>5,690,903</u>	<u>10,380,195</u>	<u>5,491,035</u>	<u>4,875,998</u>	<u>4,136,141</u>	<u>6,213,548</u>	<u>4,405,710</u>
Total Primary Government Net Position	<u>\$ 37,045,453</u>	<u>\$ 42,771,473</u>	<u>\$ 46,001,999</u>	<u>\$ 44,301,369</u>	<u>\$ 46,532,949</u>	<u>\$ 55,005,011</u>	<u>\$ 56,249,976</u>	<u>\$ 57,034,553</u>	<u>\$ 59,757,061</u>	<u>\$ 61,939,309</u>

**CITY OF MINNETRISTA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental Activities:										
General Government	\$ 1,385,084	\$ 887,188	\$ 1,019,379	\$ 1,013,834	\$ 1,374,469	\$ 1,299,321	\$ 1,182,492	\$ 1,140,693	\$ 1,189,982	\$ 1,109,025
Public Safety	2,403,185	2,333,287	2,515,524	2,592,622	3,199,782	3,100,825	3,009,188	3,127,972	3,142,580	3,147,746
Public Works	2,372,757	2,171,994	2,226,393	2,403,548	2,516,668	2,688,371	2,614,558	2,641,106	3,077,375	2,653,554
Parks and Recreation	192,206	198,709	253,802	225,307	239,887	260,196	282,717	249,280	254,594	386,974
Interest and Fiscal Charges	411,838	604,518	1,029,562	477,254	433,674	595,435	400,772	359,516	236,443	109,752
Total Governmental Activities Expenses	<u>6,765,070</u>	<u>6,195,696</u>	<u>7,044,660</u>	<u>6,712,565</u>	<u>7,764,480</u>	<u>7,944,148</u>	<u>7,489,727</u>	<u>7,518,567</u>	<u>7,900,974</u>	<u>7,407,051</u>
Business-Type Activities:										
Water	686,378	778,481	687,528	746,686	965,379	900,399	1,634,763	1,805,493	1,768,567	1,747,551
Sewer	754,958	823,690	888,377	838,815	850,928	978,903	1,101,419	1,139,570	1,200,684	1,356,987
Storm Water	204,343	208,830	216,860	264,832	255,656	331,965	335,745	398,925	379,024	405,317
Recycling	97,054	98,893	112,990	119,733	131,935	133,800	147,877	146,680	150,154	216,037
Cable TV	-	-	45,659	3,548	-	-	-	18,701	41,595	63,154
Total Business-Type Activities Expenses	<u>1,742,733</u>	<u>1,909,894</u>	<u>1,951,414</u>	<u>1,973,614</u>	<u>2,203,898</u>	<u>2,345,067</u>	<u>3,219,804</u>	<u>3,509,369</u>	<u>3,540,024</u>	<u>3,789,046</u>
Total Primary Government Expenses	<u>\$ 8,507,803</u>	<u>\$ 8,105,590</u>	<u>\$ 8,996,074</u>	<u>\$ 8,686,179</u>	<u>\$ 9,968,378</u>	<u>\$ 10,289,215</u>	<u>\$ 10,709,531</u>	<u>\$ 11,027,936</u>	<u>\$ 11,440,998</u>	<u>\$ 11,196,097</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	\$ 320,787	\$ 634,342	\$ 841,958	\$ 925,087	\$ 867,659	\$ 828,270	\$ 1,090,940	\$ 1,137,227	\$ 1,156,637	\$ 1,035,989
Public Safety	560,023	195,221	178,786	189,649	204,286	217,406	211,599	220,851	223,348	234,514
Public Works	-	233	251,784	134	190	32	152,400	8,665	55,800	2,000
Operating Grants and Contributions	200,604	440,828	835,875	507,773	277,650	327,664	465,156	298,536	924,185	572,458
Capital Grants and Contributions	1,378,968	5,383,439	2,968,198	384,022	340,638	6,519,798	1,135,793	1,323,833	2,147,948	2,194,739
Total Governmental Activities Program Revenues	<u>2,460,382</u>	<u>6,654,063</u>	<u>5,076,601</u>	<u>2,006,665</u>	<u>1,690,423</u>	<u>7,893,170</u>	<u>3,055,888</u>	<u>2,989,112</u>	<u>4,507,918</u>	<u>4,039,700</u>
Business-Type Activities:										
Charges for Services:										
Water	696,488	1,174,714	1,683,013	1,177,345	994,989	1,365,113	1,333,584	1,429,907	1,621,254	1,769,446
Sewer	668,048	709,365	850,803	830,784	877,481	929,997	993,426	1,071,824	1,109,591	1,143,180
Storm Water	176,956	181,069	187,059	224,120	261,853	294,973	328,426	336,816	349,086	365,889
Recycling	95,609	98,460	105,512	110,860	115,136	121,159	127,647	129,070	120,198	160,679
Cable TV	-	-	86,034	40,762	40,772	41,588	42,415	51,266	53,657	51,573
Operating Grants and Contributions	29,778	21,452	34,215	182,574	23,014	21,869	19,509	23,312	15,131	28,281
Capital Grants and Contributions	1,668	-	3,207	165	165	3,629,055	465,268	698,614	1,296,626	793,854
Total Business-Type Activities Program Revenues	<u>1,668,547</u>	<u>2,185,060</u>	<u>2,949,843</u>	<u>2,566,610</u>	<u>2,313,410</u>	<u>6,403,754</u>	<u>3,310,275</u>	<u>3,740,809</u>	<u>4,565,543</u>	<u>4,312,902</u>
Total Primary Government Program Revenues	<u>\$ 4,128,929</u>	<u>\$ 8,839,123</u>	<u>\$ 8,026,444</u>	<u>\$ 4,573,275</u>	<u>\$ 4,003,833</u>	<u>\$ 14,296,924</u>	<u>\$ 6,366,163</u>	<u>\$ 6,729,921</u>	<u>\$ 9,073,461</u>	<u>\$ 8,352,602</u>

**CITY OF MINNETRISTA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Revenue (Expense):										
Governmental Activities	\$ (4,304,688)	\$ 458,367	\$ (1,968,059)	\$ (4,705,900)	\$ (6,074,057)	\$ (50,978)	\$ (4,433,839)	\$ (4,529,455)	\$ (3,393,056)	\$ (3,367,351)
Business-Type Activities	(74,186)	275,166	998,429	592,996	109,512	4,058,687	90,471	231,440	1,025,519	523,856
Total Primary Government Net Expense	\$ (4,378,874)	\$ 733,533	\$ (969,630)	\$ (4,112,904)	\$ (5,964,545)	\$ 4,007,709	\$ (4,343,368)	\$ (4,298,015)	\$ (2,367,537)	\$ (2,843,495)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes	\$ 3,878,823	\$ 3,890,282	\$ 3,891,397	\$ 4,010,604	\$ 4,127,926	\$ 4,275,961	\$ 4,464,200	\$ 4,677,533	\$ 4,940,472	\$ 5,100,930
Investment Earnings	61,284	(34,452)	119,528	75,954	76,062	84,864	128,750	243,771	72,226	(49,019)
Capital Contribution	-	1,171,000	-	-	1,914,289	-	-	-	-	-
Gain (Loss) on Sale of Capital Assets	-	180	114,954	21,396	27,946	47,870	-	-	7,765	-
Miscellaneous	202,226	-	-	-	-	340	-	2,119	-	-
Transfers	-	-	-	-	-	200,000	-	-	50,000	-
Total Governmental Activities	4,142,333	5,027,010	4,125,879	4,107,954	6,146,223	4,609,035	4,592,950	4,923,423	5,070,463	5,051,911
Business-Type Activities:										
Investment Earnings	59,554	(34,523)	74,277	54,936	52,385	55,318	68,089	159,169	69,582	(26,168)
Capital Contribution	-	-	-	-	1,997,517	-	-	-	-	-
Transfers	-	-	-	-	-	(200,000)	-	-	(50,000)	-
Total Business-Type Activities	59,554	(34,523)	74,277	54,936	2,049,902	(144,682)	68,089	159,169	19,582	(26,168)
Total Primary Government	\$ 4,201,887	\$ 4,992,487	\$ 4,200,156	\$ 4,162,890	\$ 8,196,125	\$ 4,464,353	\$ 4,661,039	\$ 5,082,592	\$ 5,090,045	\$ 5,025,743
Change in Net Position:										
Governmental Activities	\$ (162,355)	\$ 5,485,377	\$ 2,157,820	\$ (597,946)	\$ 72,166	\$ 4,558,057	\$ 159,111	\$ 393,968	\$ 1,677,407	\$ 1,684,560
Business-Type Activities	(14,632)	240,643	1,072,706	647,932	2,159,414	3,914,005	158,560	390,609	1,045,101	497,688
Total Primary Government	\$ (176,987)	\$ 5,726,020	\$ 3,230,526	\$ 49,986	\$ 2,231,580	\$ 8,472,062	\$ 317,671	\$ 784,577	\$ 2,722,508	\$ 2,182,248

**CITY OF MINNETRISTA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ 22,434	\$ 23,820	\$ 15,888	\$ 86,762	\$ 86,762	\$ 42,774	\$ 35,929
Assigned	120,243	280,680	150,000	258,314	444,566	361,830	397,484	163,113	217,416	310,573
Unassigned	<u>2,550,994</u>	<u>2,440,056</u>	<u>2,543,786</u>	<u>2,937,851</u>	<u>2,543,877</u>	<u>2,519,530</u>	<u>2,360,966</u>	<u>2,556,452</u>	<u>3,220,792</u>	<u>2,985,806</u>
Total General Fund	<u>\$ 2,671,237</u>	<u>\$ 2,720,736</u>	<u>\$ 2,693,786</u>	<u>\$ 3,218,599</u>	<u>\$ 3,012,263</u>	<u>\$ 2,897,248</u>	<u>\$ 2,845,212</u>	<u>\$ 2,806,327</u>	<u>\$ 3,480,982</u>	<u>\$ 3,332,308</u>
All Other Governmental Funds:										
Restricted	\$ 2,158,391	\$ 3,488,442	\$ 5,008,847	\$ 4,169,403	\$ 3,842,779	\$ 4,197,649	\$ 5,577,204	\$ 3,007,086	\$ 3,942,027	\$ 3,340,908
Committed	184,223	-	-	410,398	406,781	421,317	571,480	582,491	638,936	645,932
Assigned	2,258,497	2,258,497	802,133	227,155	326,804	1,560,724	243,131	38,437	88,704	38,960
Unassigned	<u>(420,625)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(136,568)</u>	<u>-</u>	<u>-</u>	<u>(296,820)</u>	<u>-</u>	<u>(7,954)</u>
Total All Other Governmental Funds	<u>\$ 4,180,486</u>	<u>\$ 5,746,939</u>	<u>\$ 5,810,980</u>	<u>\$ 4,806,956</u>	<u>\$ 4,439,796</u>	<u>\$ 6,179,690</u>	<u>\$ 6,391,815</u>	<u>\$ 3,331,194</u>	<u>\$ 4,669,667</u>	<u>\$ 4,017,846</u>

Source: City's financial records.

**CITY OF MINNETRISTA
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

<u>Fiscal Year</u>	<u>Property Taxes</u>
2012	\$ 3,878,973
2013	\$ 3,863,571
2014	\$ 3,878,323
2015	\$ 4,004,111
2016	\$ 4,157,599
2017	\$ 4,289,150
2018	\$ 4,473,650
2019	\$ 4,678,750
2020	\$ 4,945,212
2021	\$ 5,097,602

Source: City of Minnetrista financial records

CITY OF MINNETRISTA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$ 3,906,517	\$ 3,913,257	\$ 3,908,750	\$ 4,022,425	\$ 4,157,304	\$ 4,266,743	\$ 4,463,911	\$ 4,669,485	\$ 4,909,287	\$ 5,104,471
Licenses and Permits	274,871	394,487	666,305	740,757	652,035	624,524	883,738	921,166	956,557	812,506
Intergovernmental	810,238	1,359,991	286,418	526,191	215,547	1,513,053	271,379	264,470	2,033,571	853,863
Charges for Services	370,856	259,168	513,250	271,046	329,901	325,524	301,873	336,564	325,603	351,709
Investment Earnings	93,763	(34,452)	119,528	75,954	76,062	84,864	128,750	243,771	72,226	(49,019)
Special Assessments	217,265	1,001,429	1,956,154	767,248	742,386	1,236,851	1,116,580	2,862,259	291,189	564,718
Gifts and Contributions	-	-	-	-	-	-	152,400	-	55,800	2,000
Miscellaneous	667,328	522,016	709,520	405,238	282,144	335,816	448,717	287,677	306,358	545,870
Total Revenues	6,340,838	7,415,896	8,159,925	6,808,859	6,455,379	8,387,375	7,767,348	9,585,392	8,950,591	8,186,118
Expenditures:										
General Government	1,088,050	1,057,405	1,167,794	974,569	1,303,870	1,121,798	1,091,051	1,083,657	1,140,411	1,091,723
Public Safety	2,082,473	1,980,708	2,240,017	2,200,045	2,330,657	2,538,467	2,688,397	2,771,973	2,820,850	2,937,134
Public Works	738,076	963,487	1,135,254	1,163,555	1,291,473	1,240,620	1,069,915	1,405,535	1,561,996	1,501,049
Parks and Recreation	288,780	111,257	126,927	129,905	155,671	149,900	157,331	139,117	147,269	172,437
Other	114,923	12,184	10,838	13,689	17,294	36,382	30,293	11,256	14,055	24,571
Capital Outlay	1,839,919	6,552,680	1,800,066	745,670	852,956	3,347,426	1,359,976	809,876	709,382	2,255,519
Debt Service:										
Principal	343,179	499,048	1,307,849	1,292,413	1,041,728	1,027,862	809,095	6,054,377	834,922	756,328
Interest	413,908	537,735	1,078,085	481,435	458,911	666,272	401,391	469,347	276,696	272,857
Total Expenditures	6,909,308	11,714,504	8,866,830	7,001,281	7,452,560	10,128,727	7,607,449	12,745,138	7,505,581	9,011,618
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(568,470)	(4,298,608)	(706,905)	(192,422)	(997,181)	(1,741,352)	159,899	(3,159,746)	1,445,010	(825,500)
Other Financing Sources (Uses):										
Bonds Issued	770,000	7,695,000	5,150,000	331,000	375,000	8,315,000	-	1,210,000	480,000	-
Premium on Bonds Issued	-	-	326,382	-	20,739	130,666	-	210,430	30,353	-
Discount on Bonds Issued	-	-	-	-	-	(7,305)	-	-	-	-
Payment of Refunded Bonds	-	-	(4,965,000)	(635,000)	-	(5,320,000)	-	(1,360,000)	-	-
Sales of Capital Assets	14,547	-	120,250	17,211	27,946	47,870	-	-	7,765	25,005
Transfers In	192,332	653,908	403,104	39,458	350,731	526,016	119,408	286,224	89,408	39,408
Transfers Out	(192,332)	(2,321,984)	(403,104)	(39,458)	(350,731)	(326,016)	(119,408)	(286,224)	(39,408)	(39,408)
Total Other Financing Sources (Uses)	784,547	6,026,924	631,632	(286,789)	423,685	3,366,231	-	60,430	568,118	25,005
Net Change in Fund Balances	\$ 216,077	\$ 1,728,316	\$ (75,273)	\$ (479,211)	\$ (573,496)	\$ 1,624,879	\$ 159,899	\$ (3,099,316)	\$ 2,013,128	\$ (800,495)
Debt Service as a Percentage of										
Noncapital Expenditures	13.3%	19.9%	34.3%	28.2%	20.1%	16.7%	19.1%	55.5%	16.3%	16.2%

*The ratio of debt service as a percentage of noncapital expenditures was unusually high in 2019 due to the City using a large amount of prepaid special assessments collections to pay off the remainder of the 2013A and 2014A bonds in 2019.

CITY OF MINNETRISTA
TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended December 31,	Taxable Assessed Value			Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value* as a Percentage of Actual Value
	Real Estate	Personal Property	Total			
2012	\$ 13,732,806	\$ 154,033	\$ 13,886,839	27.44 %	\$ 1,294,326,273	1.07 %
2013	12,732,540	168,869	12,901,409	29.55	1,206,365,054	1.07
2014	12,650,081	169,765	12,819,846	29.76	1,200,801,283	1.07
2015	13,538,197	181,771	13,719,968	28.44	1,295,560,255	1.06
2016	15,550,109	292,723	15,842,832	28.79	1,470,711,462	1.08
2017	16,781,818	305,702	17,087,520	26.59	1,584,382,887	1.08
2018	18,105,070	324,780	18,429,850	25.74	1,709,974,365	1.08
2019	19,247,950	380,736	19,628,686	24.92	1,817,709,203	1.08
2020	20,705,553	395,544	21,101,097	24.73	1,963,840,700	1.07
2021	22,458,963	346,394	22,805,357	23.68	2,117,710,100	1.08

* Includes tax exempt property.

Note 1: Property in the county is reassessed annually.

Note 2: Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of assessed value.

**CITY OF MINNETRISTA
DIRECT AND OVERLAPPING TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	City of Minnetrista			Overlapping Rates						Total Direct and Overlapping Rates
	Operating Tax Rate	Debt Service Tax Rate	Total City Tax Rate	County			**School District Averages			
				Operating Tax Rate	Debt Service Tax Rate	Total County Tax Rate	Operating Tax Rate	Debt Service Tax Rate	Total School Tax Rate	
2012	22.807	4.633	27.440	N/A	N/A	48.231	N/A	N/A	22.780	98.451
2013	24.541	5.010	29.551	N/A	N/A	49.461	N/A	N/A	32.124	111.136
2014	24.737	5.024	29.761	N/A	N/A	49.959	N/A	N/A	31.883	111.603
2015	23.541	4.907	28.448	N/A	N/A	46.398	N/A	N/A	30.952	105.798
2016	23.427	5.365	28.792	N/A	N/A	45.356	N/A	N/A	32.920	107.068
2017	21.673	4.917	26.590	N/A	N/A	44.087	N/A	N/A	31.834	102.511
2018	20.490	5.252	25.742	N/A	N/A	42.808	N/A	N/A	35.424	103.974
2019	19.628	5.287	24.915	N/A	N/A	41.861	N/A	N/A	31.169	97.945
2020	20.454	4.281	24.735	N/A	N/A	41.084	N/A	N/A	29.822	95.641
2021	20.028	3.653	23.681	N/A	N/A	38.210	N/A	N/A	28.860	90.751

** Average of four school districts that serve the City.

N/A Not Available

(1) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners (e.g. the rates for special districts apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the special district).

Source: County Board of Equalization and Assessment

**CITY OF MINNETRISTA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2021			2011		
	Net Tax Capacity	Rank	Percentage of Total Taxable Assessed Value	Net Tax Capacity	Rank	Percentage of Total Taxable Assessed Value
Woodland Cove, LLC	\$ 77,895	1	0.4 %	120,502	1	0.8 %
Towering Spruce Lodge, LLC	66,288	2	0.4	—	—	—
Individual	62,013	3	0.3	—	—	—
Individual	54,313	4	0.3	—	—	—
Enchanted Development, LLC	54,000	5	0.3	—	—	—
Individual	51,587	6	0.3	—	—	—
Individual	49,275	7	0.3	—	—	—
Individual	46,488	8	0.3	—	—	—
Burl Oaks Golf Club	35,010	9	0.2	42,198	9	0.3
Individual	32,250	10	0.2	—	—	—
Woodland Cove II LLC	—	—	—	95,343	2	0.6
JP Morgan Chase Bank NA	—	—	—	84,775	3	0.6
Individual	—	—	—	64,963	4	0.4
Individual	—	—	—	49,565	5	0.3
JE Meyer Memorial Park Association	—	—	—	48,375	6	0.3
Individual	—	—	—	45,738	7	0.3
Individual	—	—	—	44,225	8	0.3
Individual	—	—	—	41,788	10	0.3
Total	<u>\$ 529,119</u>		<u>2.9 %</u>	<u>\$ 637,472</u>		<u>4.2 %</u>

Source: Hennepin County Assessor's Office and City of Minnetrista Bond Books

**CITY OF MINNETRISTA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31,	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 3,878,973	\$ 3,819,672	98.5	\$ 59,301	\$ 3,878,973	100.00
2013	3,863,571	3,825,771	99.0	37,800	3,863,571	100.00
2014	3,878,323	3,857,974	99.5	20,349	3,878,323	100.00
2015	4,004,111	3,999,672	99.9	4,439	4,004,111	100.00
2016	4,157,599	4,140,337	99.6	11,929	4,152,266	99.87
2017	4,289,150	4,266,743	99.5	20,541	4,287,284	99.96
2018	4,473,650	4,451,285	99.5	7,882	4,459,167	99.68
2019	4,678,750	4,648,359	99.4	27,889	4,676,248	99.95
2020	4,945,212	4,915,135	99.4	23,748	4,938,883	99.87
2021	5,097,602	5,060,676	99.3	—	5,060,676	99.28

**CITY OF MINNETRISTA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Per Capita (1)	Percentage of Personal Income
	G.O. Bonds	Special Assessment Bonds	Water/Sewer Revenue Bonds and Loans				
2012	\$ 5,155,000	\$ 5,015,000	\$ 2,090,364	\$	12,260,364	\$ 1,872	3.3 %
2013	4,965,000	12,445,000	1,900,364		19,310,364	2,867	5.2
2014	4,595,000	11,760,000	1,699,364		18,054,364	2,657	4.9
2015	4,691,000	10,140,000	1,503,364		16,334,364	2,415	3.9
2016	5,021,906	9,499,417	11,375,398		25,896,721	3,684	5.6
2017	5,288,316	11,630,000	11,901,645		28,819,961	3,982	5.8
2018	4,594,787	11,270,000	11,131,255		26,996,042	3,587	4.9
2019	4,325,187	4,855,000	10,992,086		20,172,273	2,623	3.5
2020	4,327,486	4,545,000	12,234,632		21,107,118	2,603	3.7
2021	3,782,757	4,255,000	11,362,442		19,404,744	2,349	—

(1) See the Schedule of Demographic Statistics on page 116 for population and personal income data.

Note: Details regarding the City's outstanding debt can be found in the notes to basic financial statements.
2021 per capita income was not available at the time of the preparation of the City's reports.

Source: City of Minnetrista financial records

**CITY OF MINNETRISTA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
2012	\$ 5,155,000	\$ 667,623	\$ 4,487,377	0.32 %	685
2013	12,445,000	1,870,981	10,574,019	0.82	1,570
2014	11,760,000	3,748,283	8,011,717	0.66	1,179
2015	14,831,000	2,904,647	11,926,353	0.99	1,763
2016	14,521,323	2,992,862	11,528,461	0.89	1,640
2017	16,918,316	3,390,024	13,528,292	0.92	1,869
2018	15,864,787	4,282,061	11,582,726	0.73	1,539
2019	9,180,187	1,750,973	7,429,214	0.43	966
2020	8,872,486	1,736,440	7,136,046	0.39	880
2021	8,037,757	1,749,665	6,288,092	0.32	761

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 108 for property value data.

(2) Population data can be found in the Schedule of Demographic Statistics on page 116.

Note: Details regarding the City's outstanding debt can be found in the notes to basic financial statements.

Source: City of Minnetrista financial records

**CITY OF MINNETRISTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2021**

Governmental Unit	Total G.O. Debt	City's Share	
		Percent	Amount
Direct:			
City of Minnetrista	\$ 8,037,757	100.00 %	\$ 8,037,757
Overlapping:			
School Districts:			
ISD No. 110*	109,570,000	9.28	10,168,096
ISD No. 111*	58,592,663	16.59	9,720,523
ISD No. 879**	64,850,000	0.82	531,770
ISD No. 277	31,724,401	32.85	10,421,466
Hennepin County:			
General	1,037,033,516	1.06	10,992,555
Three Rivers Park District	45,542,541	1.50	683,138
Regional Rail Authority	89,332,530	1.06	946,925
Metropolitan Council	73,049,600	0.52	379,858
Total Overlapping Debt			<u>43,844,331</u>
Total Direct and Overlapping Debt			<u><u>\$ 51,882,088</u></u>

Note 1: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the county's total taxable assessed value.

Note 2: Gross debt totals exclude revenue and special assessment bonds.

Source: Hennepin County Auditor Office

*Carver County Auditor Office

**Wright County Auditor Office

**CITY OF MINNETRISTA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 38,829,788	\$ 36,190,952	\$ 36,024,038	\$ 38,866,808	\$ 44,121,344	\$ 47,531,487	\$ 51,299,231	\$ 54,531,276	\$ 58,915,221	\$ 63,531,303
Total Net Debt Applicable to Limit	4,487,377	3,094,019	846,717	1,786,353	2,029,044	1,898,292	3,338,559	3,483,508	3,485,089	2,947,945
Legal Debt Margin	<u>\$ 34,342,411</u>	<u>\$ 33,096,933</u>	<u>\$ 35,177,321</u>	<u>\$ 33,096,933</u>	<u>\$ 42,092,300</u>	<u>\$ 45,633,195</u>	<u>\$ 47,960,672</u>	<u>\$ 51,047,768</u>	<u>\$ 55,430,132</u>	<u>\$ 60,583,358</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.56%	8.55%	2.35%	4.60%	4.60%	3.99%	6.51%	6.39%	5.92%	4.64%

Legal Debt Margin Calculation for Fiscal Year 2020

Market value	\$ 2,117,710,100
Debt limit (3% of market value)	63,531,303
Debt applicable to limit	
General obligation bonds	8,037,757
Less special assessment bonds	(4,255,000)
Less amount set aside for repayment of G.O. debt	<u>(834,812)</u>
Total net debt applicable to limit	<u>2,947,945</u>
Legal debt margin	<u>\$ 60,583,358</u>

Source: City of Minnetrista financial records

**CITY OF MINNETRISTA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Water Revenue Bonds						Special Assessment Bonds				
	Water Charges and Other	Less Operating Expenses*	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage	
				Principal	Interest			Principal	Interest		
2012	\$ 609,554	\$ 416,562	\$ 192,992	\$ 90,000	\$ 31,858	1.58	\$ 213,928	\$ 70,000	\$ 141,400	1.01	
2013	546,875	558,280	(11,405)	95,000	27,818	(0.09)	1,004,594	265,000	301,523	1.77	
2014	754,900	435,808	319,092	95,000	24,682	2.67	1,959,199	1,100,000	326,188	1.37	
2015	821,729	512,418	309,311	95,000	15,524	2.80	767,248	1,620,000	357,555	0.39	
2016	943,741	637,958	305,783	155,000	15,725	1.79	742,386	685,000	301,774	0.75	
2017	983,381	620,781	362,600	754,000	18,751	0.47	1,236,851	585,000	446,302	1.20	
2018	1,367,599	678,039	689,560	719,000	30,828	0.92	1,117,520	360,000	261,148	1.80	
2019	1,507,932	808,479	699,453	775,000	152,001	0.75	2,862,259	6,905,000	289,001	0.40	
2020	1,657,826	678,722	979,104	670,500	138,752	1.21	291,883	310,000	144,895	0.64	
2021	1,758,360	732,397	1,025,963	760,400	183,213	1.09	564,718	290,000	153,206	1.27	

Note 1: Details regarding the City's outstanding debt can be found in the notes to basic financial statements. Water charges and other includes investment earnings. Operating expenses do not include interest or depreciation.

Source: City of Minnetrista financial records

**CITY OF MINNETRISTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ending December 31,</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Personal Income (2) (in thousands)</u>	<u>Estimated Completed Housing Units (1)</u>	<u>Average Unemployment Hennepin County (3)</u>
2012	6,549	\$ 57,238	\$ 374,852	2,426	5.3 %
2013	6,735	55,663	374,890	2,466	5.0
2014	6,796	54,692	371,687	2,565	4.2
2015	6,763	61,202	413,909	2,651	2.8
2016	7,029	65,868	462,986	2,753	3.3
2017	7,238	69,140	500,435	2,835	3.5
2018	7,526	73,404	552,439	2,951	2.5
2019	7,692	75,709	582,354	3,093	2.6
2020	8,108	71,024	575,863	3,246	4.1
2021	8,262	N/A	N/A	3,361	2.4

Data sources:

- (1) Metropolitan Council.
- (2) U.S. Census Bureau. Information only available for census years.
- (3) Hennepin County.
- N/A Not Available

**CITY OF MINNETRISTA
PRINCIPAL EMPLOYERS
CURRENT YEAR**

Employer		2021		2011	
		Employees	Rank	Employees	Rank
ISD No. 277 – Westonka School District	K–12 education	137 *	1	309 **	1
Burl Oaks Golf Club	Golf course	65	2	65	2
Westonka Bus Services	Transportation Services	53	3		
City of Minnetrista	Municipal Government	40	4	36	4
Norwesco Inc.	Plastic Tank Manufacturing	36	5		
YMCA	Day camp and other recreation activities	35	6		
Cooks Bay Marketing	Advertising - Marketing	15	7		
Abel Onsite	Air Conditioning contractors	8	8		
Big Stone Mini Golf	Golf course/miniature	7	9		
Marina Nastepniak	Marinas	7	10		
Al and Alma's	Restaurant and Boat Cruises			50	3
Lake Minnetonka Regional Park	Recreational Park			30	5
Waterfront Restoration, LLC	Bottled Water Delivery			20	6
Whaletail Lake Seaplane	Airport Operation			16	7
Williams Auto Sales	Automotive Sales			12	8
Widmer Construction, LLC	Water and Sewer Contractors			10	9
WRA Park	Nature Park			10	10
		<u>403</u>		<u>558</u>	

* Includes employees of the school district working within Minnetrista City limits.

** Includes all employees of the school district, not all work within the City.

**CITY OF MINNETRISTA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

	Full-Time Equivalent Employees as of Fiscal Year Ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function:										
General Government	9.0	9.0	9.0	10.0	11.0	11.0	11.0	11.0	11.0	11.0
Public Safety:										
Police										
Officers	11.0	11.0	11.0	12.0	13.0	13.0	13.0	13.0	13.0	13.0
Civilians	3.8	3.6	3.8	3.8	3.9	3.9	3.9	3.9	3.9	3.9
Highways and Streets	3.5	3.5	3.5	4.5	5.5	5.5	5.5	5.5	5.5	5.5
Parks and Recreation	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Water	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Sewer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	29.8	29.6	29.8	32.8	35.9	36.9	36.9	36.9	36.9	36.9

Source: City of Minnetrista records

**CITY OF MINNETRISTA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function:										
Police:										
Physical Arrests	119	134	116	152	112	148	148	124	90	56
Parking Violations	235	218	239	95	123	59	126	126	273	208
Traffic Violations	3,572	2,821	2,704	3,079	2,210	2,687	2,682	2,228	1,392	963
Highways and Streets:										
Street Seal Coated (Miles)	3.39	2.64	2.64	2.51	1.62	1.76	1.30	—	—	—
Blacktop Used in "Tons" for Repair of Potholes	378	301	724	545	650	611	640	585	905	205
Water:										
New Connections	28	29	57	110	89	64	102	128	145	145
Average Daily Consumption (Thousands of Gallons)	392	409	352	390	415	471	494	441	538	579
Wastewater:										
(Thousands of Gallons)	115	134	179	118	144	143	132	134	105	108

Source: Various city departments

**CITY OF MINNETRISTA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function:										
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	13	13	13	12	13	13	12	12	12	12
Highways and Streets:										
Streets (Miles)	63	63	63	63	72	72	72	82	82	82
Traffic Signals	2	2	2	2	2	2	2	2	2	2
Parks and Recreation:										
Parks Acreage	75	75	76	76	76	76	76	76	76	76
Parks	21	21	22	22	22	22	22	22	22	22
Water:										
Water Mains (Miles)	29	29	29	31	36	36	36	42	42	42
Fire Hydrants	296	296	296	296	361	361	400	442	449	449
Sewer:										
Sanitary Sewers (Miles)	35	35	35	35	43	43	43	43	43	43
Storm Sewers (Miles)	14	14	14	14	19	19	19	22	22	22

Note 1: No capital asset indicators are available for the general government functions.

Source: Various city departments

